

March 21, 2025
Senator Ann H. Rest, Chair
Senate Tax Committee
328 State Capitol
St. Paul, MN 55155

RE: Opposition to SF 2374 – Proposed Sales Tax on Professional Accounting Services

Dear Members of the Senate Tax Committee:

On behalf of the Minnesota Chapter of Enrolled Agents (MNcEA), we respectfully submit this letter to express our strong opposition to the proposed sales tax on professional accounting services included in SF 2374. MNcEA is a chapter of the National Association of Enrolled Agents (NAEA)—the only professional association representing enrolled agents in Minnesota. Our community of tax professionals provides critical expertise, education, and advocacy to ensure taxpayers receive accurate guidance and representation.

The imposition of a sales tax on accounting services would create significant challenges for taxpayers and tax professionals alike. Higher costs for essential tax services may discourage individuals and small businesses from seeking the assistance they need to comply with complex state and federal tax laws. Reduced access to professional tax guidance could result in unintentional errors, increased enforcement burdens on state and federal agencies, and a potential decrease in overall tax compliance.

Additionally, imposing a sales tax on professional services introduces unnecessary complexity for practitioners, including enrolled agents, by adding new compliance, billing, and reporting requirements. These additional administrative burdens would divert valuable time and resources from serving clients and supporting taxpayer compliance.

This proposed tax also disproportionately impacts individuals who rely on professional representation to navigate ever-changing tax laws. Taxing these essential services effectively penalizes those who are making a conscientious effort to comply with the law, potentially leading to increased errors, higher enforcement costs, and reduced revenue.

Rather than implementing a tax that discourages compliance and imposes unnecessary burdens on taxpayers and practitioners, we urge the legislature to consider policies that promote fairness, economic growth, and voluntary compliance.

Thank you for your time and consideration of this critical issue. We strongly encourage you to oppose the taxation of professional accounting services under SF 2374.

Sincerely,

Eileen Welsh Eng, CPA, EA, President
Minnesota Chapter of Enrolled Agents