

Minnesota Sales and Use Tax Business Guide

This guide provides important sales and use tax information for businesses. Use the links in the Guide Menu to see information about each topic.

Who Needs to Register?

You must register and collect sales tax in Minnesota if you have a taxable presence or nexus in Minnesota, even if you are an out-of-state retailer or marketplace provider.

You have presence in Minnesota if your business does any of the following:

- Maintains a physical location in Minnesota (office, warehouse, or distribution, sales, or sample room)
- Sells products to customers in Minnesota, using the internet, mail order, or telephone, without having a physical presence in that state and does not meet the small seller exemption
- Has 200 or more retail sales shipped to Minnesota over a period of 12 consecutive months
- Has retail sales that total more than \$100,000 shipped into Minnesota over a period of 12 consecutive months
- Has an employee, representative, agent, or independent contractor that does work on behalf of the retailer in Minnesota
- Facilitates the sale of taxable goods or services to customers in Minnesota on behalf of a business
- Delivers items into Minnesota in your own vehicles
- Provides taxable services in Minnesota
- Owns property in Minnesota
- Keeps inventory in a fulfillment center in Minnesota
- Is an affiliate of a Minnesota retailer that promotes or provides other services to you and your business and the retailer are related parties
- Enters into an agreement with a Minnesota resident for a commission or similar consideration and directly or indirectly refers potential buyers to the seller through website links or otherwise

Small Seller Exception

Starting October 1, 2019, Minnesota's Small Seller Exception will require remote sellers to collect and remit sales tax if their total sales over the prior 12-month period total either:

- 200 or more retail sales shipped to Minnesota
- More than \$100,000 in retail sales shipped to Minnesota

A retail sale is one sales transaction. For example, one sale into Minnesota may contain 10 items for one customer. That transaction counts as one retail sale.

Note: When calculating this exception, do not include sales where the purchaser is buying for resale. The purchaser must give you a completed, [Form ST3, Certificate of Exemption](#) claiming a resale exemption.

What if I do not make taxable sales?

If you sell only nontaxable items, you do not need to register for a sales tax account. However, if you make purchases subject to tax, you may need to register to pay use tax. See [Use Tax for Businesses](#).

Registering Your Business

Before you make any taxable sales in Minnesota, you must register for a Minnesota Tax ID Number and a Sales and Use Tax account.

If you need a Minnesota Tax ID Number, you can apply:

- Online – Go to [Business Tax Registration](#)
- By phone – Call 651-282-5225 or 1-800-657-3605 (toll-free)

Sales Tax Account Registration

When you register for a Minnesota ID Number, you may also register for a Sales and Use Tax account. You will need the following information:

- Expected filing schedule (monthly, quarterly, or annual). See [Filing Information](#).
- Accounting method (cash or accrual)
- Any local or special local taxes that may apply to your business. See [Taxes and Rates](#).

When you register for a Sales and Use Tax account, you agree to collect sales tax and remit it to the state. If you do not remit all sales tax collected, you may be subject to penalties and interest.

Update Business Information

If you have a Minnesota ID number, you can update your business information using our [e-Services](#) system. For some changes, you will need to contact [Business Registration](#).

Changes you can make through e-Services

- Change officers, business owners, or business associations
- Change business addresses, contact information, email addresses, or NAICS codes (North American Industry Classification System)
- Register new accounts
- Close your business
- Cancel your Minnesota ID number if you close your business

Changes you need to make through Business Registration

- Federal Employer ID Number (FEIN) – you may need a copy of your IRS documentation
- Filing cycle changes
- Legal entity change
- Legal name change – you may need a copy of your Secretary of State documentation
- Close your tax accounts
- Tax year month-end change

Multiple Locations

If you have more than one location, you may file one consolidated return for all locations. For examples, see the table below.

Separate Locations	Not Separate Locations
<ul style="list-style-type: none">• Permanent storefronts• Mall kiosks	<ul style="list-style-type: none">• Sales at craft shows (unless the location is permanent)• Vending machines at multiple locations• Services performed at various locations (cleaning service, lawn mowing)

To set up consolidated filing, call Business Registration at 651-282-5225 or 1-800-657-3605 (toll-free).

Sales Tax Account Revocation

We can cancel or revoke your sales tax account if you do not comply with sales and use tax laws.

If we cancel or revoke your sales tax account, you cannot make any retail sales or provide taxable services. If you do, you may be charged with a felony and a \$100 per day civil fine.

We can disclose the following information identifying the permit holder of the revoked or canceled permit:

- The basis for canceling or revoking the permit
- The date of the revocation or cancellation
- The date the permit was reinstated (if reinstated)

We may reinstate your sales tax account if you become current in filing and paying your sales tax returns and pay a security deposit.

We may revoke your business license if you are an officer and owe at least \$500.

Taxes and Rates

Sales tax is charged by the seller and applied to retail sales of taxable services and tangible personal property sold in Minnesota.

Sales tax is a transaction tax. The seller must look at each transaction to determine its taxability.

Sales tax is imposed at the state and local levels.

Calculating Sales Tax

To figure the sales tax rate, combine the state general tax rate (6.875%) and all applicable local tax rates (local taxes, special local taxes, and special taxes). Apply the total rate to the taxable sales price. Rate charts are available at various percentages. See [Rate Charts](#).

You may either:

- Add sales tax to the selling price. Show the tax separately on the receipt or invoice
- Include sales tax in the selling price. Mark the item "tax included" on the receipt or invoice, or post a sign indicating that tax is included.

You must subtract the sales tax from your total receipts before filing your sales tax return. For more information, see [Subtracting Sales Tax from Receipts](#).

Sourcing Rules

There are five general sourcing rules that determine where a sale takes place and what taxes are due.

General sourcing rules have an order. Start with rule 1. If it does not apply, go to rule 2. When rule 2 does not apply, go to rule 3. The majority of sales fall into rule 1, 2, or 3.

1. **Seller's Address** – when the purchaser picks up the product at the seller's location, charge tax based on the business location.
2. **Delivery Address** – when the customer directs the seller to ship the product or service to a location, charge tax based on the location where the product or service is delivered.
3. **Billing Address** – when 1 or 2 does not apply, charge tax based on the customer address in your records.
4. When the above do not apply, charge tax based on the customer's address obtained during the transaction (for example, the address on a customer's check).
5. When an address is not available, charge tax based on the address from where the item was shipped or the service was provided.

Note: For more information, see Minnesota Statutes [297A.668](#) and [297A.669](#).

Local Sales Taxes

Some cities and counties have local sales and use taxes. All sellers, regardless of location, must collect local based on where the customer receives the taxable product or service.

To determine the sales tax rate, use the location where the customer receives the product, typically a business or delivery address. We offer resources to help you determine the total tax rate (state and local) on our website. You can:

- Use our [Sales Tax Rate Calculator](#). If you have a street address, it will identify the nine-digit ZIP Code for you. Best to use when you have one or two addresses at a time.
- Use our [Sales Tax Rate Map](#). You can visually confirm your location of interest by entering an address.
- Download our [Sales Tax Rate Spreadsheet](#) to use at your desk. You must know the nine-digit ZIP Code. Best for use when you have multiple nine-digit ZIP Codes to look up at one time.
- Download our [Sales Tax Rates and Boundaries Tables](#) to program into your point of sale system. (From the Streamlined Sales Tax website.)

For more information, see:

- [Local Sales Tax Information](#)
- [Local Sales Tax Rate Guide](#)

Note: These options do not provide information on most special local taxes (see below). You must add any special local taxes to the total sales tax rate.

Special Local Taxes

Special local taxes apply to specific types of sales, including:

- Admissions
- Entertainment
- Food and beverages, including restaurants
- Liquor
- Lodging accommodations

Note: Some special local taxes are administered by a local government and not the Minnesota Department of Revenue. For questions, contact the city or county that administers the tax.

For more information on special local taxes administered by the department, see:

- [Minneapolis Special Local Taxes](#)
- [Special Local Taxes](#)

Special Tax Rates

Some items have additional taxes in addition to the state general rate sales tax. These items include:

- Motor vehicle short-term rentals, see [Motor Vehicle](#)
- Motor vehicle sales, see [Motor Vehicle](#)
- Liquor sales, beer, wine, and other alcoholic beverages, see [Eating Establishments](#)
- Manufactured homes and park trailers, see [Manufactured Homes, Park Trailers and Modular Homes](#)
- Waste management services, see [Solid Waste Management Tax](#)

Use Tax

If you buy equipment, supplies, or other taxable items for your business and the seller does not charge Minnesota sales tax, you owe use tax on the cost of the items. If your business is located in an area with a local tax, you may also owe local use tax.

Some common situations where you may owe use tax include:

- You buy taxable items or services online without paying sales tax
- You withdraw an item from inventory to use (instead of selling it), donate, or give away
- You buy taxable items outside of Minnesota

- You buy taxable items in another Minnesota city or county with a lower or no local sales tax

For more information, see [Use Tax for Businesses](#).

Sales Price

The sales price is the total of **all** charges that are part of the sale. If the item or service is taxable, these items are also taxable. Examples include:

- retail price of a good or service
- fabrication labor
- delivery charges
- installation labor
- taxes and fees that are the responsibility of the seller but are passed onto the customer (credit card processing fees, environmental fees)
- tips added to the bill by the seller
- service charges
- employee fair wage charges or employee wellness charges
- surcharges (food, fuel, etc.)
- any other charges that are a condition of the sale

The sales price does not include:

- credit allowed for trade-in
- term discounts
- cash discounts
- taxes and fees legally imposed directly on the customer
- interest charges
- finance charges from an extension of credit by the lender
- coupons unless reimbursed by a third party

Taxable Sales

Most retail sales are taxable in Minnesota.

A retail sale means any sale, lease, or rental of tangible personal property (goods) for any purpose other than resale, sublease, or subrent. A retail sale also includes services for any purpose other than for resale.

Sales, leases, and rentals are taxable regardless of quantity or if the item is new or used, unless an exemption applies.

See the following table for specific examples.

Taxable Sales	More Information
Admissions and amusement fees – to access health clubs, amusement devices, tanning facilities, spas, athletic facilities, golf clubs, ski hills, recreational areas, movies, etc.	<ul style="list-style-type: none">• Admissions and Amusement Devices• Exercise Facilities and Health Clubs
Aircraft	<ul style="list-style-type: none">• Aircraft
Building materials, supplies, and equipment – sold to owners, contractors, subcontractors, and builders to build,	<ul style="list-style-type: none">• Contractors and Other Property Installers

Taxable Sales	More Information
alter, repair or improve real property	
Candy and soft drinks	<ul style="list-style-type: none"> • Food and Food Ingredients • Candy • Soft Drinks and Other Beverages
Computer software – for sale, lease, or license to use a canned or prewritten program	<ul style="list-style-type: none"> • Computer Software
Delivery charges – including shipping and handling, for taxable items or services	<ul style="list-style-type: none"> • Delivery Charges
Dietary supplements	<ul style="list-style-type: none"> • Dietary Supplements
Digital products – any product transferred electronically to the customer	<ul style="list-style-type: none"> • Digital Products
Fabrication labor – labor that results in a new or changed product, even if the customer provides materials for the product	<ul style="list-style-type: none"> • Printing Industry • Labor – Installation, Fabrication, Construction, and Repair • Motor Vehicle • Photography • Video Production
Fur clothing	<ul style="list-style-type: none"> • Clothing
Grooming and hygiene products	<ul style="list-style-type: none"> • Grooming and Hygiene Products
Installation labor – to set an item into position or connect, adjust, or program it for use	<ul style="list-style-type: none"> • Labor – Installation, Fabrication, Construction, and Repair
Lodging and related services – sold by the facility or through an online lodging seller or other type of accommodation intermediary	<ul style="list-style-type: none"> • Hotels and Other Lodging Establishments
Meals and drinks – prepared by the seller, including take-out orders and catering	<ul style="list-style-type: none"> • Prepared Food • Hospital and Nursing Homes • Eating Establishments
Motor vehicles – leases and rentals of motor vehicles	<ul style="list-style-type: none"> • Motor Vehicle
Off-road vehicles – vehicles that do not require registration, including all-terrain vehicles, mini-bikes, racing bikes, etc.	<ul style="list-style-type: none"> • Off-Road Vehicle
Pay television services	<ul style="list-style-type: none"> • Telecommunications, Pay Television, and Related Services
Prepaid telephone calling cards and recharging fees	<ul style="list-style-type: none"> • Telecommunications, Pay Television, and Related Services
Services	<ul style="list-style-type: none"> • Taxable Services
Tobacco products except cigarettes	<ul style="list-style-type: none"> • Food and Food Ingredients • License Requirements for Retailers
Utilities	<ul style="list-style-type: none"> • Petroleum Products • Telecommunications, Pay Television, and Related Services

Taxable Sales	More Information
Vending machine sales – of prepared food, soft drinks, candy, and dietary supplements	<ul style="list-style-type: none"> • Utilities Used in Production • Industrial Production • Residential Utilities • Vending Machines and Other Coin-Operated Devices

Nontaxable Sales

All sales of tangible personal property and some services are taxable unless an exemption exists in statute or the purchaser provides a completed [Form ST3, Certificate of Exemption](#).

Items Exempt by Law

When an item is exempt from sales or use tax by law, the seller does not have to show why no tax was charged, but must indicate the item was food, clothing, drugs, or another exempt good.

Exemption Certificates

The seller does not have to collect sales tax if the purchaser gives them a completed [Form ST3, Certificate of Exemption](#).

Purchasers may use their own exemption certificate; it must include the customer's:

- Name and address
- State Tax ID Number and state of issue or, as noted below:
- Federal Employer Identification Number (FEIN) if purchaser has no state Tax ID
- Driver's license number or other state ID number, if purchaser has no state Tax ID or FEIN
- Type of business
- Reason for claiming the exemption
- Signature

Note: The purchaser must provide all of the above information. A certificate missing any of the above information may be rejected.

If an exemption certificate is misused to evade paying sales tax, we may apply a penalty of \$100 to each transaction of misuse.

Form ST3 Expiration

Exemption certificates do not expire unless the information on the certificate changes. But we recommend updating exemption certificates every three to four years.

Nontaxable Items

Below is a list of most nontaxable items. An exemption certificate or other documentation may be required.

Nontaxable Sales	Additional Information
Admission tickets - to certain school and nonprofit events	<ul style="list-style-type: none"> • Schools - Sales and Purchases • Admissions and Amusement Devices • Nonprofit Organizations
Advertising materials - when shipped out-of-state	<ul style="list-style-type: none"> • Advertising

Nontaxable Sales	Additional Information
Agricultural items - when used in the production process	<ul style="list-style-type: none"> • Agricultural and Farming
Air cooling equipment - used to convert or replace ground water cooling systems	<ul style="list-style-type: none"> • Minnesota Statute 103G.271, subd. 5 • Minnesota Statute 297A.68, subd. 7
Airflight equipment and parts - for certain aircraft	<ul style="list-style-type: none"> • Aircraft • Minnesota Rule 8130.6000
Ambulances - when sold or leased to an ambulance service	<ul style="list-style-type: none"> • Emergency Services
Aquaculture equipment - and certain repair and replacement parts	<ul style="list-style-type: none"> • Agricultural and Farming
Baby products	<ul style="list-style-type: none"> • Health Product Exemptions
Bullet resistant body armor - when purchased by licensed peace officers and state and local law enforcement agencies	<ul style="list-style-type: none"> • Emergency Services
Camp fees - when the exemption requirements are met	<ul style="list-style-type: none"> • Admissions and Amusement Devices
Caskets, urns for cremains, and burial vaults	<ul style="list-style-type: none"> • Funeral Homes, Mortuaries, Crematories, and Cemeteries
Cigarettes	<ul style="list-style-type: none"> • License Requirements for Retailers
Clothing	<ul style="list-style-type: none"> • Clothing
Coin-operated entertainment and amusement devices	<ul style="list-style-type: none"> • Vending Machines and Other Coin-Operated Devices
Construction labor - to construct, repair, or improve real property	<ul style="list-style-type: none"> • Contractors and Other Property Installers
Construction purchases - for special projects	<ul style="list-style-type: none"> • Minnesota Statute 297A.71
Conversion costs - to make vehicles accessible to a person with a disability	<ul style="list-style-type: none"> • Motor Vehicle
Court-reporter transcripts	<ul style="list-style-type: none"> • Minnesota Statute 297A.68, subd. 22
Cross-country ski passes - for the use of public trails	<ul style="list-style-type: none"> • Admissions and Amusement Devices
Custom computer software - when prepared to the special order of the customer	<ul style="list-style-type: none"> • Computer Software
Deliveries outside Minnesota	<ul style="list-style-type: none"> • Items for Use Outside Minnesota
Detachable tools - when the exemption requirements are met	<ul style="list-style-type: none"> • Industrial Production • Minnesota Rule 8130.5500, subp. 9
Direct mail delivery or distribution charges - when listed separately on the invoice	<ul style="list-style-type: none"> • Delivery Charges

Nontaxable Sales	Additional Information
	<ul style="list-style-type: none"> • Direct Mail and Fulfillment Services
Drugs - for prescription or over-the-counter for use by humans	<ul style="list-style-type: none"> • Drugs
Farm machinery - when used in the agricultural production process, including repair and replacement parts except tires	<ul style="list-style-type: none"> • Agricultural and Farming
Feminine hygiene products	<ul style="list-style-type: none"> • Health Product Exemptions
Fire-safety sprinkler systems - and all components installed into existing residential dwellings, hotels, motels, or lodging houses with four or more units	<ul style="list-style-type: none"> • Minnesota Statute 297A.68, subd. 23
Firearm storage units	<ul style="list-style-type: none"> • Retailers and Wholesalers • Minnesota Statute 297A.67, subd. 39
Food - groceries for human consumption	<ul style="list-style-type: none"> • Food and Food Ingredients • Food Stamps
Fundraising sales - when made by or for a nonprofit organization and if certain criteria are met	<ul style="list-style-type: none"> • Nonprofit Organizations
Health products	<ul style="list-style-type: none"> • Drugs • Durable Medical Equipment • Mobility Enhancing Equipment • Prosthetic Devices • Health Product Exemptions
Horse and horse-care supplies - including feed and medications	<ul style="list-style-type: none"> • Veterinary Practice
Industrial production materials - when used or consumed in the industrial production process	<ul style="list-style-type: none"> • Industrial Production
Instructional materials - when required to be used directly in the completion of a course of study by students at a qualifying school	<ul style="list-style-type: none"> • Schools - Sales and Purchases
Interest of finance charges	<ul style="list-style-type: none"> • Minnesota Statute 297A.61, subd. 7
Logging equipment - when used in a qualifying activity, including repair or replacement parts except tires	<ul style="list-style-type: none"> • Logging Equipment
Medical equipment - for home use, including mobility enhancing equipment and prosthetic devices	<ul style="list-style-type: none"> • Durable Medical Equipment • Mobility Enhancing Equipment • Prosthetic Devices
Memberships - for YMCA, YWCA, and Jewish Community Centers of Greater Minneapolis and St. Paul, including one-time initiation fees and periodic membership dues	<ul style="list-style-type: none"> • Exercise Facilities and Health Clubs
Mill liners, grinding rods, and grinding balls - when consumed in the production of taconite or other ores, metals, or minerals	<ul style="list-style-type: none"> • Mining - Metals, Minerals, Ores, and Taconite
Newspapers and publications - if regularly issued every three	<ul style="list-style-type: none"> • Printing Industry

Nontaxable Sales	Additional Information
months or less	
Occasional sales - of some business equipment, when exemption requirements are met	<ul style="list-style-type: none"> • Isolated and Occasional Sales
Patent, trademark, and copyright drawings and documents	<ul style="list-style-type: none"> • Minnesota Statute 297A.68, subd. 33
Patient meals - served in hospitals, sanitariums, nursing homes, senior citizen's homes, correctional detention, and detoxification facilities	<ul style="list-style-type: none"> • Hospital and Nursing Home Meals
Personal computers and related software - for use in a public or private school, college, university, or business or trade school for regularly enrolled students	<ul style="list-style-type: none"> • Schools - Sales and Purchases
Petroleum products - in certain situations	<ul style="list-style-type: none"> • Petroleum Products
Pollution control equipment - in qualifying circumstances	<ul style="list-style-type: none"> • Minnesota Statute 297A.68, subd. 8
Poultry feed - to raise poultry for human consumption	<ul style="list-style-type: none"> • Minnesota Statute 297A.69, subd. 7
Prizes for games of skill of chance - for games conducted at events such as carnivals, festivals, and fairs lasting fewer than six days	<ul style="list-style-type: none"> • Selling Event Exhibitors and Operators
Public safety radio communication system	<ul style="list-style-type: none"> • Minnesota Statute 297A.70, subd. 8
Repair labor - if listed separately on the invoice	<ul style="list-style-type: none"> • Labor - Installation, Fabrication, Construction, and Repair
Residential electricity and natural gas - during the billing months of November through April	<ul style="list-style-type: none"> • Residential Utilities
Residential utilities - provided on a year-round basis (fuel oil, coal, wood, steam, hot water, propane, LP gas, and water services)	<ul style="list-style-type: none"> • Residential Utilities
Sacramental wine - used in religious ceremonies	<ul style="list-style-type: none"> • Minnesota Statute 297A.70, subd. 9
Service materials - used or consumed in providing taxable services, including utilities and short-lived detachable tools	<ul style="list-style-type: none"> • Laundry and Dry Cleaning Service • Motor Vehicle • Building Cleaning and Maintenance • Detective and Security Services • Pets and Pet Services • Lawn and Garden Maintenance, Tree and Shrub Services • Massages
School meals - for pre-kindergarten - 12th grade, childcare or early childhood education programs	<ul style="list-style-type: none"> • Schools - Sales and Purchases

Nontaxable Sales	Additional Information
Ship repair and replacement parts and lubricants - when used by ships or vessels engaged principally in interstate or foreign commerce	<ul style="list-style-type: none"> • Minnesota Statute 297A.68, subd. 17
Ski areas - and items used or consumed directly for tramways, snowmaking, and snow grooming at ski hills, ski slopes, or ski trails	<ul style="list-style-type: none"> • Admissions and Amusement Devices
Solar energy systems	<ul style="list-style-type: none"> • Minnesota Statute 297A.67, subd. 29 • Minnesota Statute 216C.06, subd. 17
Special tooling - that has value and use only for the buyer and only for the use of which it was made	<ul style="list-style-type: none"> • Industrial Production
Telecommunications and pay television equipment	<ul style="list-style-type: none"> • Telecommunications, Pay Television, and Related Services
Textbooks - when required for classes in qualifying schools and sold to regularly enrolled students	<ul style="list-style-type: none"> • Schools - Sales and Purchases • Minnesota Rule 8130.6700
Trade-in allowances	<ul style="list-style-type: none"> • Coupons, Discounts, and Other Forms of Payment
Tree, brush, and shrub removal - for contractors as part of a land-clearing contract	<ul style="list-style-type: none"> • Contractors and Other Property Installers • Lawn and Garden Maintenance, Tree and Shrub Services
TV commercials - and items used or consumed in pre-production, production, or post-production	<ul style="list-style-type: none"> • TV Commercials
Unsweetened water	<ul style="list-style-type: none"> • Soft Drinks and Other Beverages • Residential Utilities
Used mobile homes - for residential purposes	<ul style="list-style-type: none"> • Manufactured Homes, Park Trailers, and Modular Homes
Waste-management containers and compactors	<ul style="list-style-type: none"> • Minnesota Statute 297A.68, subd. 31
Wind energy conversion systems - and materials used to manufacture, install, construct, repair, or replace them	<ul style="list-style-type: none"> • Minnesota Statute 297A.68, subd. 12

Special Exemptions and Nonprofits

You must apply to the Minnesota Department of Revenue to obtain a special exemption or to have nonprofit exempt status.

Special Exemptions

You must apply to the Minnesota Department of Revenue to obtain a special exemption for the following:

- Direct Pay authorization

- Motor Carrier Direct Pay application
- Sales tax exemption for nonprofit organizations
- Resource recovery facility exemption

Nonprofit Organizations

Nonprofit organizations may purchase some items exempt from sales tax only if they apply and are approved for Nonprofit Exempt Status – Sales Tax. They must give their vendor a completed [Form ST3, Certificate of Exemption](#). For more information, see [Nonprofit Organizations](#).

Filing Information

It is important to keep good records to determine the correct amount of state and local tax you owe.

Your records should include:

- Bills, receipts, invoices, cash-register tapes, and any other documents that support the entries in your books
- Exemption certificates
- Shipping documents
- Worksheets used to prepare your tax returns

Filing Frequency

Your filing schedule is based on your monthly Sales and Use Tax liability, as shown in the following table.

Filing Frequency	Average Tax Reported	Due Date
Annually	Less than \$100 per month	February 5 of the following year
Quarterly	\$100 to \$500 per month	April 20, July 20, October 20, and January 20
Monthly	More than \$500 per month	20th day of the following month

Due Dates

You may not receive a notice to remind you to file your return or pay your tax so it's important to remember the return due date. For a list of due dates, see [Sales Tax Return Filing Due Dates](#).

Filing a Return

You must file your Sales and Use Tax return online through our e-Services system.

- [Go to e-Services](#).
- [Help for e-Services](#)

Note: If you have multiple locations and file a consolidated return, you can enter the information for each location separately or attach a spreadsheet file with information for all locations. See [Sales and Use Tax File Formats](#).

Information to File a Return

You need the following information to file your Sales and Use Tax return:

- Minnesota Tax ID Number
- e-Services username and password
- **Gross receipts** - Total receipts (or sales) from all business operations for Minnesota during the reporting period. Include all taxable and exempt sales, leases, and rentals. Do not include sales tax.
- Amount of tax you collected for:
 - **General Rate Sales Tax** (state rate) - total receipts from all taxable sales, leases, and rentals subject to the general rate sales tax. Do not include sales tax or sales made through a marketplace, when the marketplace is required to collect and remit the sales tax.
 - **Local sales taxes** - total receipts (or sales) subject to a local tax.

- **Special rate taxes** - total receipts (or sales) subject to special tax.
- Amount of tax you owe for:
 - **Use tax purchases** (state rate) - total amount you paid for items purchased for your own use without paying sales tax to the seller.
 - **Local use taxes** - total amount you paid for items purchased for your own use without paying local sales tax to the seller.
 - **Variable rate use tax** - When you buy items outside Minnesota, the seller may be required to charge you that state's state and local sales tax if you pick up the items there. However, you still owe use tax to Minnesota if the other state's sales tax rate is less than Minnesota's general sales tax rate. You pay the difference in the two rates as variable rate use tax.

Sales Tax Included in Price

If your total receipts include sales tax, you must subtract the sales tax before filing your return. See [Subtracting Sales Tax from Receipts](#).

No Taxable Sales

If you did not make any taxable sales for a filing period, you must still file a zero return.

Marketplace Providers

If you are a marketplace provider report your sales, including the sales made on behalf of your marketplace sellers, on your own sales tax return. You may request an additional Minnesota Sales Tax ID Number to report the sales made on behalf of your marketplace sellers.

Before Filing Your Return

You may need to adjust your sales figures before filing your return. If the following items apply to sales in the current period, subtract them from the appropriate tax type before you file.

- Bad debts on sales previously written off for federal income tax purposes.
- Cash or credit refunds given to customers. For example, if a customer returns an item subject to Minnesota and local sales tax, adjust both the state and local tax lines.
- Checks returned for nonsufficient funds (if you use the cash method of accounting).

Note: If your return shows a credit balance because of the adjustment, we will refund the overpayment to you. Do not take credit for the overpayment on other returns.

Simplified Electronic Return (SER)

The Minnesota Department of Revenue accepts Simplified Electronic Returns (SER) filed through our webservice from all taxpayers.

To file a SER, you must use the [Streamlined Sales Tax \(SST\) Schema set](#).

For more information, see the [SST Technology Guide](#).

File SER with Minnesota

When you are ready to file a SER with Minnesota, you must:

- Obtain login credentials
- Certify or test submissions before transmitting your first SER
- Use our testing and production URLs:
 - [Testing URL](#)
 - [Production URL](#)

For credentials and testing information, email SERCredentialsandTesting@state.mn.us.

You may use a SER to submit both Sales and Use Tax returns and payments.

- Currently, Minnesota does not require page 2 of the SST Schema
- When including payment, we advise including a request date

Note: We do not provide programming support to file SERs.

Accounting Methods

Typically, you use the same accounting method for sales tax as your personal or business income tax. To use a different accounting method, you must have written permission from the Minnesota Department of Revenue. For more information, call us at 651-296-6181 or 1-800-657-3777 (toll-free).

Cash Method

You are on the cash method of accounting when:

- You report income and your sales tax liability when you receive payments from your customer.
- You record expenses and any associated use tax in the period you pay the invoice.

Accrual Method

You are on the accrual method of accounting when:

- You report income and your sales tax liability when you make the sale to your customer (invoice date).
- You record expenses and any associated use tax in the period you made the purchases (invoice date).

Penalties and Interest

If you do not file or pay your taxes on time, you may owe penalties and interest.

We will send you a notice if we do not receive your return or payment. If you have questions or believe we made an error, call us immediately. We will work with you to get your account current.

For more information, see [Penalty and Interest for Business Taxes](#).

Subtracting Sales Tax from Receipts

If your total receipts include sales tax, you must subtract the tax from the total receipts before filing your return.

Subtracting Sales Tax Chart

To subtract the tax, find the sales tax rate that applies to you in the table.

Then, do one of the following:

- Divide your receipts by the number listed under "divide receipts by" in the same row as your sales tax rate
- Multiply your receipts by the number listed under "multiply receipts by" in the same row as your sales tax rate

Tax Rate	Divide Receipts By	Multiply Receipts By
6.875%	1.06875	0.93563
7.025%	1.07025	0.93432
7.125%	1.07125	0.93345
7.275%	1.07275	0.93214
7.375%	1.07375	0.93132
7.525%	1.07525	0.92997
7.625%	1.07625	0.92911
7.775%	1.07775	0.92782
7.875%	1.07875	0.92696

Tax Rate	Divide Receipts By	Multiply Receipts By
8.025%	1.08025	0.92571
8.125%	1.08125	0.92485
8.375%	1.08375	0.92272
8.625%	1.08625	0.92059
8.875%	1.08875	0.91848
9.125%	1.09125	0.91634
9.375%	1.09375	0.91424
9.525%	1.09525	0.91299
9.625%	1.09625	0.91216
9.775%	1.09775	0.91091
9.875%	1.09875	0.91013
10.025%	1.10025	0.90884
10.125%	1.10125	0.90802
10.275%	1.10275	0.90678
10.525%	1.10525	0.90473
10.775%	1.10775	0.90269
13.025%	1.13025	0.88472
13.275%	1.13275	0.88277
13.400%	1.13400	0.88183
13.525%	1.13525	0.88082
13.775%	1.13775	0.87889
16.025%	1.16025	0.86185
16.275%	1.16275	0.85999

Example

All prices at your restaurant include Minnesota sales tax only. The total taxable sales at the end of the month are \$10,000. Divide \$10,000 by 1.06875 (or multiply by 0.93563) to remove the Minnesota sales tax.

\$10,000/1.06875 = \$9,357

Report \$9,357 on the General Rate Sales Tax line.

Payment Information

We offer several payment options:

- Log in to e-Services to
 - Schedule payments from your bank account
 - Pay with your credit or debit card (fee)
 - Pay with ACH Credit

- Pay with a check and voucher
- Pay in-person with cash

For details about these options, see [Make a Payment](#).

Required Electronic Payments

Generally, you must pay all Minnesota business taxes electronically once you have paid more than \$10,000 of any one tax during the state's previous fiscal year (July 1-June 30).

We will send you a notice the first year you're required to pay electronically; you must continue to do so in future years.

Do not pay by check if you're required to pay electronically. We may assess a 5% penalty even if we received your check by the due date.

For more information, see [Electronic Payment Requirements for Business](#).

Taxpayer Rights

As a Minnesota taxpayer, you have the right to clearly understand your rights and responsibilities under the law.

[Learn what your rights are as a taxpayer](#).

Public Information

If someone asks us for specific information about your business, we may provide only the following information under state law:

- Minnesota Tax ID Number
- Name and address under which the business is registered
- Business name and location
- Registration date
- Any registration cancellations

Private Information

Private information includes the information you provide on your sales tax return, except for the public information listed above. We cannot provide private information to others under state law without your consent, except to the Internal Revenue Service (IRS).

For more information, see [Use of Information](#).

Identification Verification

If you contact us for information about your sales tax account, you will need to provide the following information to verify your identity:

- Name
- Address
- Minnesota Tax ID Number

Amending a Sales Tax Return

If you discover an error on a previously filed Sales and Use Tax return, you must file an amended return to correct the error.

You may file an amended return up to 3.5 years from the date the original return was due.

Common reasons for amending your return include:

- You did not report enough tax
- You reported too much tax
- You reported tax on the wrong line
- You incorrectly charged sales tax and have refunded the tax to the customer
- You received a [Form ST3, Certificate of Exemption](#), from a customer to exempt a sale reported in a prior period and have refunded the tax to the customer

Do not file an amended return to request:

- Bad debt loss
- Returned checks
- A refund of Sales or Use Tax that you overpaid

Note: All amended returns are subject to review or audit by the Minnesota Department of Revenue. Keep all supporting documentation from your original and amended return.

How to File

You can amend a return in e-Services.

- Log in to [e-Services](#) and select Change a Return
- Before submitting your amended return, enter the following information when prompted:
 - Your name, phone number, and reason for filing an amended return.
 - The total amount of taxable sales or purchases due, after your adjustments. Do not enter the difference between the original return and the actual amount due.

Filing Multiple Amended Returns

If you need to amend multiple returns, you can amend each one individually or you can use [Form ST11-MPA, Sales and Use Tax Multiple Period Amended Return](#).