

SENATE
STATE OF MINNESOTA
NINETY-FIRST SESSION

S.F. No. 2055

(SENATE AUTHORS: CHAMBERLAIN)

DATE
03/07/2019

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685 Introduction and first reading
Referred to Taxes

OFFICIAL STATUS

1.1 A bill for an act
1.2 relating to taxation; sales and use; providing for a vendor allowance; amending
1.3 Minnesota Statutes 2018, section 297A.77, subdivision 3; proposing coding for
1.4 new law in Minnesota Statutes, chapter 297A.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. Minnesota Statutes 2018, section 297A.77, subdivision 3, is amended to read:

1.7 Subd. 3. **Tax must be remitted.** The tax collected by a retailer under this section, except
1.8 for the amount allowed to be retained by the seller under section 297A.816, must be remitted
1.9 to the commissioner as provided in chapter 289A and this chapter.

1.10 **EFFECTIVE DATE.** This section is effective for sales taxes remitted after June 30,
1.11 2019.

1.12 Sec. 2. **[297A.816] VENDOR ALLOWANCE.**

1.13 Subdivision 1. **Eligibility.** A retailer may retain a portion of sales tax collected as a
1.14 vendor allowance in compensation for the costs of collecting and administering the tax
1.15 under this chapter. This section applies only if the tax minus the vendor allowance is both
1.16 reported and remitted to the commissioner in a timely fashion as required under chapter
1.17 289A.

1.18 Subd. 2. **Tax not eligible for allowance.** Use taxes paid by the retailer on the retailer's
1.19 own purchases and local sales and use taxes collected by the retailer are not included in
1.20 calculating the vendor allowance under this section.

1.21 Subd. 3. **Calculation of allowance; maximum amounts.** The amount of the vendor
1.22 allowance is equal to the sum of one-quarter of one percent of the tax collected in the

- 2.1 reporting period, up to \$250. The vendor allowance must not reduce the tax owed in the
- 2.2 reporting period to less than zero.
- 2.3 **EFFECTIVE DATE.** This section is effective for sales taxes remitted after June 30,
- 2.4 2019.