

1 Department of Revenue

2

3 Adopted Permanent Rules Relating to Sales Tax Administration

4

5 Rules as Adopted .

6 8130.2350 COMPUTATION OF SALES TAX.

7 Compute the tax on the sales price to the nearest full  
8 cent. For sales under \$1, use the guidelines in items A to C.

9 A. In computing the tax to be collected on any  
10 transaction subject to a four percent rate, amounts of less than  
11 one-half cent may be disregarded and the amounts of one-half  
12 cent or more are considered as an additional cent. Thus, on a  
13 sale of 12 cents or less, the purchaser pays no tax; on a sale  
14 between from and including 13 cents to and including 37 cents,  
15 the purchaser is required to pay one cent tax; on a sale between  
16 from and including 38 cents to and including 62 cents, the  
17 purchaser is required to pay two cents tax; on a sale between  
18 from and including 63 cents to and including 87 cents, the  
19 purchaser is required to pay three cents tax; on a sale of from  
20 and including 88 cents to and including \$1.12, the purchaser is  
21 required to pay four cents tax; on a sale in excess of \$1, the  
22 purchaser is required to pay four percent on each full dollar  
23 plus the appropriate amount from the brackets above.

24 B. In computing the tax to be collected on any  
25 transaction subject to a five percent rate, amounts of less than  
26 one-half cent may be disregarded and the amounts of one-half  
27 cent or more are considered as an additional cent. Thus, on a  
28 sale of nine cents or less, the purchaser pays no tax; on a sale  
29 between from and including ten cents to and including 29 cents,  
30 the purchaser is required to pay one cent tax; on a sale between  
31 from and including 30 cents to and including 49 cents, the  
32 purchaser is required to pay two cents tax; on a sale between  
33 from and including 50 cents to and including 69 cents, the  
34 purchaser is required to pay three cents tax; on a sale between  
35 from and including 70 cents to and including 89 cents, the

1 purchaser is required to pay four cents tax; on a sale between  
 2 from and including 90 cents to and including \$1.09, the  
 3 purchaser is required to pay five cents tax; and on a sale in  
 4 excess of \$1, the purchaser is required to pay five percent on  
 5 each full dollar plus the appropriate amount from the brackets  
 6 above.

7 C. In computing the tax to be collected on any  
 8 transaction subject to a six percent rate, amounts of less than  
 9 one-half cent may be disregarded and the amounts of one-half  
 10 cent or more are considered as an additional cent. Thus, on a  
 11 sale of eight cents or less, the purchaser pays no tax; on a  
 12 sale between from and including nine cents to and including 24  
 13 cents, the purchaser is required to pay one cent tax; on a  
 14 sale between from and including 25 cents to and including 41  
 15 cents, the purchaser is required to pay two cents tax; on a sale  
 16 between from and including 42 cents to and including 58 cents,  
 17 the purchaser is required to pay three cents tax; on a sale  
 18 between from and including 59 cents to and including 74 cents,  
 19 the purchaser is required to pay four cents tax; on a  
 20 sale between from and including 75 cents to and including 91  
 21 cents, the purchaser is required to pay five cents tax; on a  
 22 sale between from and including 92 cents to and including \$1.08,  
 23 the purchaser is required to pay six cents tax; and on a sale in  
 24 excess of \$1, the purchaser is required to pay six percent on  
 25 each full dollar plus the appropriate amount from the brackets  
 26 above.

27 8130.2500 APPLICATION FOR PERMIT TO MAKE RETAIL SALES.

28 Subpart 1. Duty to obtain a permit. The following persons  
 29 making taxable sales within Minnesota, or sales outside the  
 30 state for use, storage, or consumption in Minnesota must obtain  
 31 a sales tax permit and collect the sales or use tax from the  
 32 purchaser at the time of sale:

33 A. a retailer located in Minnesota;

34 B. a retailer maintaining a place of business in  
 35 Minnesota;

1 C. a retailer making retail sales from outside this  
2 state to a destination within this state if the retailer engages  
3 in the regular or systematic soliciting of sales from potential  
4 customers in this state.

5 Subp. 2. **Nontaxable retail activities.** Where a person  
6 engages in retail activities which are exclusively nontaxable,  
7 it is not necessary to apply for or secure a permit.

8 If a charitable, religious, or educational organization  
9 makes or plans to make fundraising sales which are not  
10 exclusively nontaxable under Minnesota Statutes, section  
11 297A.256, or any other part of Minnesota Statutes, chapter 297A,  
12 that organization must obtain a sales tax permit and collect the  
13 sales tax.

14 Subp. 3. **Multiple locations.** Where a person who is  
15 required to secure a permit has more than one place of business  
16 and the activities conducted at each place are subject to tax  
17 under the Sales and Use Tax Law, and the person elects to file a  
18 separate return for each place of business, a separate  
19 application must be filed for each business location. A permit  
20 will be issued which may be used only at the address indicated  
21 on the permit. A separate permit will be assigned to each place  
22 of business. Members of a group of corporations related by  
23 stock ownership, where the members are engaged in making sales  
24 at retail, must make individual applications.

25 Subp. 4. **Consolidated return.** If a person elects to file  
26 a consolidated return, a list containing the business name and  
27 address of each separate place of business must be submitted to  
28 the commissioner when applying for a permit. An application  
29 containing such a list constitutes an application for each  
30 listed business name and address. A permit will be issued for  
31 each listed location. Each permit so issued will bear the same  
32 sales and use tax account number. If, thereafter, the person  
33 elects to file a separate return for any of the listed places of  
34 business, a new account number must be secured for the business  
35 location for which the separate return is filed. See part  
36 8130.2600.

1 Subp. 5. **Vending machines.** Where the person required to  
2 secure a sales and use tax permit operates vending machines in  
3 more than one location, the person will not be required to  
4 secure a separate permit for each location. Vending machines  
5 include, but are not limited to, coin-operated or bill-operated  
6 machines that dispense food, candy, drinks, items of tangible  
7 personal property, or provide amusement and diversion.

8 Vending machines do not include the coin-operated services  
9 described in Minnesota Statutes, section 297A.01, subdivision 3,  
10 paragraphs (i) and (j).

11 Subp. 6. **Information required.** Application for a permit  
12 must contain the following information:

13 A. the legal form and name of organization; for  
14 example, individual, partnership, Minnesota corporation, foreign  
15 corporation, or association, and if a corporation, the state and  
16 date of incorporation;

17 [For text of item B, see M.R.]

18 C. name and mailing address to which sales tax forms  
19 are to be sent;

20 D. Minnesota Department of Revenue identification  
21 number, unless no such number was previously assigned, and the  
22 federal identification number, unless none has been assigned;

23 [For text of items E to H, see M.R.]

24 I. type of business; for example, retail trade,  
25 wholesale trade, manufacturing, motion picture theater, hotel,  
26 or bowling alley; and

27 J. whether business is operated seasonally and, if  
28 so, usual opening and closing dates.

29 Applications must be signed by the owner, if a natural  
30 person, by a partner if the applicant is a partnership, or by an  
31 owner, partner, or officer if the applicant is a corporation or  
32 an association.

33 Subp. 7. **Change in ownership or name.** Where there is a  
34 change in ownership or name, the following rules are applicable:

35 A. Sale of a business enterprise operated as a sole  
36 proprietorship requires a new application, although the business

1 may be continued under the same name.

2           B. Admission of a new partner to a partnership  
3 requires a new application, even if the business is continued  
4 under the same name. Resignation, expulsion, or death of a  
5 partner requires a new application if the partnership is  
6 required to obtain a new federal identification number because  
7 of the resignation, expulsion, or death.

8                   [For text of item C, see M.R.]

9           D. A change in name of a business enterprise or a  
10 change in location, where there has been no change in ownership,  
11 means the permit holder must request a corrected permit from the  
12 department which reflects the changed name or address. The  
13 corrected permit will be issued upon request.

14                   [For text of item E, see M.R.]

15 8130.2600 PERMIT WHEN VALID AND HOW DISPLAYED.

16           Subpart 1. **Permit issued by commissioner.** Generally,  
17 after the applicant has complied with the provisions of  
18 Minnesota Statutes, section 297A.04, the commissioner will issue  
19 a separate permit for each place of business for which  
20 application was made unless the commissioner, in order to assure  
21 compliance with the Sales and Use Tax Law, finds it necessary  
22 for the applicant to deposit security. In that event, the  
23 commissioner will issue the permits requested at the time the  
24 applicant has complied with the additional provisions regarding  
25 the security requested.

26           Subp. 2. **When permit is valid.** The permit issued is valid  
27 until revoked or canceled according to Minnesota Statutes,  
28 section 297A.065 or 297A.07, and is not assignable. The permit  
29 is valid only for use by the person in whose name it is issued  
30 and for the transaction of business at the place designated  
31 therein. Thus, where there has been a change of ownership, so  
32 that the liability for payment of the sales and use tax is  
33 shifted either wholly or in part, or where there has been a  
34 change in name or in location of the business enterprise, the  
35 permit is no longer valid. If there has been a change of

1 ownership, the permit holder must apply for a new permit.

2 Subp. 3. **Shifting or temporary locations.** Where a permit  
3 holder is primarily engaged in taxable activities which require  
4 a change of location from place to place, the change in location  
5 will not be considered a change of address and the permit holder  
6 must display the permit at each temporary location when making  
7 taxable sales at that location. In the event the permit holder  
8 engages in taxable activities at two or more shifting or  
9 temporary locations within the same general area at the same  
10 time, the permit holder may display the original permit at one  
11 location and photocopies of the original permit at the other  
12 locations.

13 Subp. 4. **Display of permits.** A permit issued by the  
14 commissioner must at all times be conspicuously displayed. See  
15 subpart 3 for display of permits at shifting or temporary  
16 locations.

17 8130.2700 REVOCATION OF PERMITS.

18 Subpart 1. **In general.** The permit or permits issued to  
19 any person, hereinafter referred to as the permit holder, may be  
20 revoked or suspended by the commissioner if the permit holder  
21 fails to comply with any provisions of Minnesota Statutes,  
22 chapter 297A, or any rules adopted under that chapter. See  
23 Minnesota Statutes, section 297A.07.

24 Subp. 2. **Hearing requirement.** The commissioner cannot  
25 revoke the permit holder's permit or permits before granting a  
26 hearing. The hearing cannot be held unless the commissioner has  
27 served notice in writing at least 30 days before the date for  
28 the hearing. The commissioner may serve personal notice upon  
29 the permit holder or may make such service by regular mail. If  
30 service is made by mail, the notice provisions of Minnesota  
31 Statutes, section 289A.37, subdivision 5, will apply. The  
32 hearing and any post-hearing administrative procedures related  
33 to the hearing, will be conducted by the State of Minnesota  
34 Office of Administrative Hearings pursuant to the Administrative  
35 Procedure Act, Minnesota Statutes, chapter 14. The hearing will

1 be held at the time and place specified in the notice of hearing.

2 Subp. 3. **Surrender of permit.** A permit revoked by the  
3 commissioner must be surrendered to the commissioner immediately  
4 upon notice of revocation.

5 Subp. 4. [See Repealer.]

6 Subp. 5. **New application, or application for reinstatement**  
7 **of revoked permit.** The commissioner may reinstate a revoked  
8 sales and use tax permit, or issue a new permit to a taxpayer  
9 whose permit had been revoked if the taxpayer:

10 A. files all unfiled sales and use tax returns;

11 B. pays with a certified check, cashier's check, or  
12 money order the entire balance of tax, penalty, and interest  
13 due;

14 C. deposits with the commissioner, security or a  
15 surety bond in an amount equal to three times the average  
16 monthly liability; and

17 D. signs an agreement to file timely returns and  
18 remit tax when due in the future to a named individual within  
19 the department. The agreement will specify the individual to  
20 whom the returns and payments must be sent. All payments must  
21 be made by certified check, cashier's check, or money order.

22 The commissioner will hold the security deposit described  
23 in item C for two years.

24 The commissioner will pay interest on any money deposited  
25 as security. The interest will be calculated from the date of  
26 deposit to the date of refund, or date of application to any  
27 outstanding tax liability, at a rate specified in Minnesota  
28 Statutes, section 270.76. The security deposit will be refunded  
29 to the taxpayer at the end of the two-year period unless the  
30 taxpayer has any unpaid tax liabilities. The commissioner may  
31 apply the security deposit to any unpaid tax liabilities.

32 Subp. 6. **Appeal.** An alternative procedure is available to  
33 the permit holder. The permit holder may appeal the  
34 commissioner's order revoking the permit or permits to the  
35 Minnesota Tax Court in accordance with Minnesota Statutes,  
36 chapter 271.

1 Subp. 7. **Disclosure.** The commissioner may identify the  
2 holder of a revoked sales tax permit and disclose information  
3 regarding the reasons for revocation. See Minnesota Statutes,  
4 section 270B.08.

5 8130.2900 PRESUMPTION THAT TAX MUST BE PAID.

6 Subpart 1. **General rule.** Minnesota Statutes, section  
7 297A.09, provides that all gross receipts are presumed to be  
8 subject to tax unless the contrary is established. The burden  
9 of proving that a sale was not a sale at retail is upon the  
10 seller.

11 Subp. 2. **Overcoming the presumption.** For overcoming the  
12 presumption of subpart 1:

13 A. The presumption that a sale is a sale at retail  
14 may be overcome if the seller accepts and retains for the  
15 records an exemption certificate given by the purchaser, stating  
16 that the property purchased is for resale.

17 B. Under Minnesota Statutes, section 297A.10, if the  
18 seller accepts from the purchaser an exemption certificate to  
19 the effect that the property purchased is exempt under Minnesota  
20 Statutes, chapter 297A, the exemption certificate will relieve  
21 the retailer from the presumption that all gross receipts are  
22 subject to tax and from collecting and remitting the tax, if  
23 taken in good faith from the purchaser.

24 C. The presumption that all gross receipts are  
25 subject to tax may be overcome if the seller accepts from the  
26 purchaser an exemption certificate to the effect that the  
27 purchaser is exempt from paying the tax under the Sales and Use  
28 Tax Law.

29 D. The presumption that all gross receipts are  
30 subject to tax may be overcome if the seller accepts from the  
31 purchaser a copy of the direct pay permit issued to the  
32 purchaser, or a statement as provided in part 8130.3400, subpart  
33 5.

34 8130.3000 GOOD FAITH ACCEPTANCE OF EXEMPTION CERTIFICATES.

35 [For text of subpart 1, see M.R.]



1           Subp. 2. **Reasonable care.** Where a sale is made to a  
2 person claiming to purchase the property for resale, the  
3 presumption that the sale is subject to tax, will be  
4 conclusively overcome only if the retailer accepts a resale  
5 exemption certificate in good faith from the purchaser. See  
6 Minnesota Statutes, section 297A.10. Although the seller is  
7 under no duty to ascertain beyond all reasonable doubt that the  
8 purchaser is acquiring the property for resale, the provision  
9 that the seller act in good faith requires the seller to  
10 exercise reasonable care and judgment before accepting the  
11 resale exemption certificate. The good faith provision requires  
12 that the seller accept only certificates meeting the  
13 requirements of Minnesota Statutes, section 297A.11.

14           Subp. 3. **Awareness of business activity and specific**  
15 **nonexempt property.** Where a sale is made to a person claiming  
16 that the property purchased is exempt under Minnesota Statutes,  
17 section 297A.25, the presumption that the sale is subject to tax  
18 will be conclusively overcome where the retailer takes a  
19 certificate of exemption in good faith from the purchaser. The  
20 seller will be considered to have exercised good faith provided  
21 the seller is aware of the type of business activity conducted  
22 by the purchaser, and provided the property claimed to be exempt  
23 is of a character normally used by the purchaser for an exempt  
24 purpose. The seller is under no duty to ascertain whether the  
25 property so purchased is, in fact, actually used for the exempt  
26 purpose.

27           Subp. 4. **Acceptable exemption certificates.** Vendors may  
28 accept the following in good faith:

29           A. certificates of exemption claiming exemption on  
30 purchases of airflight equipment, and flight simulators and  
31 parts necessary for the repair and maintenance of such  
32 equipment, where the certificates are taken from persons who  
33 state thereon that they are taxed under the provisions of  
34 Minnesota Statutes, sections 270.071 to 270.079, inclusive;

35           B. certificates of exemption claiming exemption on  
36 purchases of mill liners, grinding rods, and grinding balls

1 where the certificates are taken from persons who state thereon  
2 that they are taxed under the in lieu provisions of Minnesota  
3 Statutes, chapter 298, and where the certificates state that the  
4 property will be substantially consumed in the production of  
5 taconite, while becoming a part of the material produced;

6 C. certificates of exemption claiming exemption on  
7 purchases of property which will be shipped or transported  
8 outside Minnesota by the purchaser without any intermediate use,  
9 which will be used in a trade or business outside Minnesota, and  
10 which state thereon that the property will not be returned to  
11 Minnesota except in the course of interstate commerce, if the  
12 property is not taxable in the state of destination and no  
13 exemption certificate is necessary in that state, or the  
14 property is not taxable in the state of destination if an  
15 exemption certificate is given to the vendor in that state and a  
16 copy of the destination state's exemption certificate is  
17 attached to the Minnesota certificate, or the property is to be  
18 used in the other state or country as part of a maintenance  
19 contract;

20 D. certificates of exemption claiming exemption on  
21 purchases of packing materials used to pack and ship household  
22 goods to destinations outside Minnesota and which will not be  
23 returned to Minnesota except in the course of interstate  
24 commerce;

25 E. certificates of exemption which state that the  
26 materials purchased are designed to advertise and promote the  
27 sale of merchandise or services, when the material is purchased  
28 and stored for the purpose of subsequently shipping or otherwise  
29 transferring outside the state by the purchaser for use  
30 thereafter solely outside of Minnesota;

31 F. certificates of exemption for equipment used for  
32 processing solid or hazardous waste at a resource recovery  
33 facility as defined in Minnesota Statutes, section 115A.03,  
34 subdivision 28. The purchaser must apply to the commissioner  
35 for the exemption certificate and supply sufficient  
36 documentation to support the application;

1 G. certificates of exemption covering certain  
2 purchases by veteran's organizations and their auxiliaries. The  
3 purchases must be for charitable, civic, educational, or  
4 nonprofit uses;

5 H. certificates of exemption for materials and  
6 supplies used or consumed in agricultural or industrial  
7 production of tangible personal property to be sold ultimately  
8 at retail. See Minnesota Statutes, section 297A.25, subdivision  
9 9;

10 I. certificates of exemption for tangible personal  
11 property which will be resold;

12 J. certificates of exemption for repair or  
13 replacement parts used for the maintenance or repair of  
14 qualified farm machinery or logging equipment pursuant to  
15 Minnesota Statutes, section 297A.01, subdivision 15;

16 K. certificates of exemption for materials and  
17 supplies used or consumed in the production of newspapers and  
18 publications issued at average intervals of three months or  
19 less, pursuant to Minnesota Statutes, section 297A.25,  
20 subdivision 10;

21 L. certificates of exemption for commercial haulers  
22 of waste collection and disposal services; and

23 M. certificates of exemption for property purchased  
24 for business use outside city limits, for use when a local tax  
25 is applicable;

26 N. certificates of exemption for repair, replacement,  
27 and rebuilding parts and materials for ships or vessels used or  
28 to be used principally in interstate or foreign commerce; and

29 O. certificates of exemption for lease of a motor  
30 vehicle for use as an ambulance by an ambulance service licensed  
31 under Minnesota Statutes, section 144.802.

32 Subp. 5. Religious and educational organizations. Where a  
33 sale of tangible personal property is made to an organization  
34 that is organized and operated exclusively for religious or  
35 educational purposes, the seller will be relieved from the duty  
36 of collecting and remitting the tax otherwise due on the sale if

1 the seller receives a certificate of exemption from the  
2 organization stating to that effect, and provided that the  
3 seller is reasonably certain that the purchaser is a religious  
4 or educational organization entitled to the exemption. Thus,  
5 although the seller is not obligated to investigate to determine  
6 whether the purchaser is entitled to the exemption, the seller,  
7 either from past experience or from the seller's own general  
8 personal knowledge of the community and its affairs, should, in  
9 most cases, be able to determine whether the purchaser is the  
10 type of organization it claims to be and whether the purchase is  
11 to be used for religious or educational purposes. For example,  
12 the various schools and churches in any community are well known  
13 and, consequently, a seller would be reasonably certain that  
14 such a school or church making purchases of tangible personal  
15 property is entitled to exemption.

16       **Subp. 6. Charitable organizations.** Organizations claiming  
17 exemption as charitable organizations must establish their right  
18 to the exemption by making application to the commissioner for a  
19 certificate of exempt status. An application may also be made  
20 by religious and educational organizations wishing to obtain a  
21 certificate of exempt status as a convenience to themselves and  
22 their suppliers. A certificate of exempt status will be issued  
23 after the application and supporting documents are examined and  
24 approved. The certificate of exempt status will bear an exempt  
25 status number and the signature of an authorized official of the  
26 Department of Revenue. An organization holding a certificate of  
27 exempt status may reproduce the certificate as necessary to be  
28 furnished to its suppliers. A vendor may accept a copy of a  
29 certificate of exempt status in good faith from the organization  
30 to which it was issued.

31       **Subp. 7. References and limitations.**

32           A. See part 8130.6200 regarding criteria for  
33 determining whether or not organizations qualify for exemption  
34 as charitable, religious, or educational.

35           B. As described above, the certificate of exemption  
36 or certificate of exempt status is valid for purchases made on

1 behalf of the exempt organization, but not for purchases made  
2 for the personal use of persons affiliated with or employed by  
3 the exempt organization. The seller may be reasonably certain  
4 that a sale is made to the exempt organization if the seller  
5 either bills the organization for the sales price, delivers the  
6 property to the location of the organization, or accepts payment  
7 by means of a check drawn by the organization.

8           C. Although the furnishing of meals or lodging is  
9 defined as a taxable sale by Minnesota Statutes, section  
10 297A.01, subdivision 3, paragraphs (c) and (e), it is not a sale  
11 of tangible personal property and, thus, is not within the  
12 exemptions described in subparts 5 to 8 for sales of tangible  
13 personal property to governmental, charitable, religious, and  
14 educational organizations in Minnesota Statutes, section  
15 297A.25, subdivisions 11 and 16. Accordingly, a certificate of  
16 exemption, certificate of exempt status, or governmental  
17 purchase order may not be accepted in good faith for such a  
18 sale, except in the case of sales directly to the United States  
19 government. See part 8130.5700. Meals furnished, prepared, or  
20 served at public and private schools, universities, or colleges,  
21 are governed under part 8130.0800.

22           D. Although the furnishing of admissions is defined  
23 as a taxable sale by Minnesota Statutes, section 297A.01,  
24 subdivision 3, paragraph (d), it is not a sale of tangible  
25 personal property and, thus, is not within the exemptions  
26 described in subparts 5 to 8 for sales of tangible personal  
27 property to governmental entities in Minnesota Statutes, section  
28 297A.25, subdivision 11. Accordingly, a certificate of  
29 exemption, certificate of exempt status, or governmental  
30 purchase order may not be accepted in good faith for such a sale.

31           The sale of admissions under Minnesota Statutes, section  
32 297A.01, subdivision 3, paragraph (d), to charitable, religious,  
33 or educational organizations in Minnesota Statutes, section  
34 297A.25, subdivision 16, may be purchased exempt pursuant to  
35 subparts 5 and 6.

36           E. Both government entities, except for the United

1 States government, and charitable, religious, or educational  
2 organizations, must pay sales tax on leases of motor vehicles  
3 pursuant to Minnesota Statutes, section 297A.25, subdivisions 11  
4 and 16.

5 F. Both government entities, except for the United  
6 States government, and charitable, religious, or educational  
7 organizations must pay sales tax on solid waste collection and  
8 disposal services imposed pursuant to Minnesota Statutes,  
9 section 297A.01, subdivision 3, paragraph (j), item (vii).

10 G. A seller is not required to collect and remit the  
11 tax on sales of tangible personal property which the seller  
12 delivers to a common carrier for delivery to an outstate  
13 destination, or places the property in the United States mail or  
14 parcel post directed to a purchaser outstate, or delivers the  
15 property to a purchaser outstate by means of the seller's own  
16 delivery vehicles. No exemption certificate is required under  
17 these circumstances. However, adequate evidence of shipment or  
18 delivery to the out-of-state destination must be maintained by  
19 the seller.

20 Subp. 8. **Sales to governmental entities.** Where a sale of  
21 tangible personal property or sales governed by Minnesota  
22 Statutes, section 297A.01, subdivision 3, paragraph (f), is made  
23 to a governmental entity listed in Minnesota Statutes, section  
24 297A.25, subdivision 11, the sale is exempt. The seller will be  
25 relieved of the duty of collecting and remitting the tax  
26 otherwise due on such property by accepting an authorized  
27 purchase order, payment voucher, or other document clearly  
28 showing that the purchaser is a governmental entity.

29 Subp. 9. and 10. [See Repealer.]

30 8130.3100 CONTENT AND FORM OF EXEMPTION CERTIFICATE.

31 Subpart 1. **In general.** Minnesota Statutes, section  
32 297A.09, provides that a person who makes a sale may take from a  
33 purchaser an exemption certificate for exempt sales. If the  
34 certificate does not include the following five elements, the  
35 certificate will not be considered to have been accepted by the

1 seller in good faith as required by Minnesota Statutes, section  
2 297A.10. An exemption certificate must contain the following  
3 information:

- 4 A. name and address of the purchaser;
- 5 B. the account number of the permit issued to the  
6 purchaser, or, if no number, state reason;
- 7 C. the general character of the property sold by the  
8 purchaser in the regular course of business;
- 9 D. description of the property purchased; and
- 10 E. signature of the purchaser.

11 See Minnesota Statutes, section 297A.11.

12 **Subp. 2. Application to use exemption certificates.**

13 A. A taxpayer must submit an application to the  
14 commissioner in order to obtain an exemption certificate to be  
15 used for the following exemptions or situations:

- 16 (1) waste processing equipment used at a resource  
17 recovery facility;
- 18 (2) direct payment of sales or use tax;
- 19 (3) direct payment of tax by common carriers; and
- 20 (4) purchases of tangible personal property or  
21 services by a charitable organization.

22 B. A taxpayer does not need to submit an application  
23 to the commissioner in order to obtain an exemption certificate  
24 to be used for the following exemptions:

- 25 (1) agricultural or industrial production;
- 26 (2) educational or religious organizations;
- 27 (3) advertising material pursuant to Minnesota  
28 Statutes, section 297A.25, subdivision 22;
- 29 (4) farm machinery repair or replacement parts,  
30 pursuant to Minnesota Statutes, section 297A.25, subdivision 29;
- 31 (5) materials used in publications pursuant to  
32 Minnesota Statutes, section 297A.25, subdivision 10;
- 33 (6) taconite production materials pursuant to  
34 Minnesota Statutes, section 297A.25, subdivision 15;
- 35 (7) airflight equipment pursuant to Minnesota  
36 Statutes, section 297A.25, subdivision 14;

1 (8) outstate transport or delivery pursuant to  
2 Minnesota Statutes, section 297A.25, subdivision 5;

3 (9) business use outside a city limit - local  
4 taxes;

5 (10) tangible personal property or services  
6 purchased for resale;

7 (11) veterans' groups pursuant to Minnesota  
8 Statutes, section 297A.25, subdivision 25;

9 (12) tipping fee sales tax exemption for  
10 commercial haulers of public and private mixed municipal solid  
11 waste; **and**

12 (13) fuels and energy used in agricultural or  
13 industrial production pursuant to Minnesota Statutes, section  
14 297A.25, subdivision 9;

15 (14) repair, replacement, and rebuilding parts  
16 and materials for ships or vessels used or to be used  
17 principally in interstate or foreign commerce; and

18 (15) lease of a motor vehicle for use as an  
19 ambulance by an ambulance service licensed under Minnesota  
20 Statutes, section 144.802.

21 These certificates may be used for single purchases or for  
22 continuing future purchases. When used in this latter manner,  
23 the certificate is referred to as a blanket exemption  
24 certificate. Whether a certificate is a single purchase or  
25 blanket certificate is determined by marking the appropriate  
26 blank provided on the form.

27 Subp. 3. and 4. [See Repealer.]

28 8130.3200 NONEXEMPT USE OF PURCHASE OBTAINED WITH EXEMPTION  
29 CERTIFICATE.

30 Subpart 1. **Nonexempt use, use tax imposed.** Under  
31 Minnesota Statutes, sections 297A.09 and 297A.10, the seller may  
32 accept an exemption certificate from the purchaser on items  
33 otherwise taxable under the Sales and Use Tax Law. Under  
34 Minnesota Statutes, section 297A.12, if the purchaser makes a  
35 nonexempt use of the property for which the purchaser had given



1 an exemption certificate that use is considered a retail sale by  
 2 the purchaser when the item is first used by the purchaser. The  
 3 sales price (see Minnesota Statutes, section 297A.01,  
 4 subdivision 8 regarding the calculation of sales price) must be  
 5 reported as a purchase subject to use tax on the sales and use  
 6 tax return.

7 If the purchaser does not have a sales tax permit and is  
 8 not required to file a sales and use tax return, the purchaser  
 9 must file a consumer's use tax return.

10 Use of the property for demonstration or display while  
 11 holding it for sale or lease in the regular course of business  
 12 is not a taxable use by the purchaser.

13 Subp. 2. **Temporary use.** If the purchaser temporarily uses  
 14 the property other than for demonstration or display, while  
 15 holding it for sale or lease, the use tax is calculated on the  
 16 reasonable rental value of the property.

17 8130.3300 FUNGIBLE GOODS FOR WHICH EXEMPTION CERTIFICATE GIVEN.

18 Subpart 1. **Defined.** Fungible goods are movable goods  
 19 which may be estimated and replaced according to weight,  
 20 measure, and number. Such goods comprise those belonging to the  
 21 same class that do not have to be dealt with in specie  
 22 (retaining existence as a distinct individual of a particular  
 23 class). Common examples of fungible goods are grain in silos or  
 24 elevators, oil in tanks, coal in hoppers, and lumber in piles.  
 25 See Minnesota Statutes, section 297A.13.

26 Subp. 2. [See Repealer.]

27 8130.3400 DIRECT PAY PERMIT PROCEDURE.

28 [For text of subpart 1, see M.R.]

29 Subp. 2. **Payment.** The holder of a direct pay permit must  
 30 report and pay the applicable use tax directly to the  
 31 commissioner instead of paying the sales tax to its vendors with  
 32 respect to all materials purchased pursuant to a direct pay  
 33 permit.

34 [For text of subp 3, see M.R.]

35 Subp. 4. **Qualification requirements.** To qualify for a

1 direct pay permit, a business must demonstrate to the  
2 satisfaction of the commissioner that:

3           A. the nature of the business is such that the direct  
4 pay method will materially reduce the administrative work of  
5 collecting the tax;

6           B. the firm's accounting system will clearly reflect  
7 the proper amount of tax due;

8           C. the firm makes taxable purchases in sufficient  
9 volume to justify the expense of regular audits by the  
10 Department of Revenue; and

11           D. it is in the best interests of the state to issue  
12 the permit.

13           Each person whose application is approved will receive a  
14 direct pay permit which will be numbered, dated, and signed by  
15 the commissioner or the commissioner's delegated representative.

16           **Subp. 5. Holder's duties to vendors.** The holder of a  
17 direct pay permit must furnish a copy of the direct pay permit  
18 or a statement that the holder holds a direct pay permit, the  
19 number of the permit and the date issued, to each vendor from  
20 whom the holder purchases tangible personal property on which an  
21 exemption is claimed. The use of the permit will relieve the  
22 vendor from the responsibility of collecting the sales tax on  
23 sales made to a direct pay permit holder. Each person issued a  
24 direct pay permit must keep a current list of all vendors from  
25 whom purchases are made under the direct pay method, and, upon  
26 request by the commissioner, must submit such list for  
27 examination.

28           The holder of a direct pay permit must either issue the  
29 permit to all vendors required to collect Minnesota sales and  
30 use taxes (except those excluded in subpart 6), and accrue all  
31 liability as a use tax, or maintain accounting records in  
32 sufficient detail to show in summary, and in respect to each  
33 transaction, the amount of sales taxes paid to vendors in each  
34 reporting period.

35           If the holder of the permit chooses the latter alternative,  
36 then all purchases from any one supplier must be made either

1 exempt or taxable. It is not permissible to request the vendor  
2 to assess the sales tax on only selected transactions.

3 Subp. 6. Certain transactions not permitted. A holder of  
4 a direct pay permit may never use it in connection with the  
5 following transactions:

6 [For text of items A and B, see M.R.]

7 C. purchases of admissions to places of amusement or  
8 athletic events, or the privilege of use of amusement devices;

9 D. purchases of motor vehicles taxed under Minnesota  
10 Statutes, chapter 297B; and

11 E. purchases of any of the taxable services listed in  
12 Minnesota Statutes, section 297A.01, subdivision 3, paragraphs  
13 (g) to (l).

14 Subp. 7. Permit revocable and not transferable or  
15 assignable. A direct pay permit is not transferable nor may the  
16 use of a direct pay permit be assigned to a third party. The  
17 commissioner may revoke a direct pay permit at any time the  
18 permit holder fails to comply with the conditions under which  
19 the permit was granted or for any other reason constituting  
20 misuse of the permit. The direct pay permit may also be revoked  
21 where the commissioner determines that its continued use is  
22 contrary to the best interests of the state of Minnesota.

23 8130.3600 FLEA MARKET OPERATORS.

24 Subpart 1. In general. The operator of a flea market,  
25 craft show, antique show, coin show, stamp show, comic book  
26 show, convention exhibit area, or similar event must obtain  
27 evidence that any person desiring to engage or conduct business  
28 on the premises owned or controlled by the operator holds a  
29 valid seller's sales tax permit or obtain a written statement  
30 from the seller that items offered for sale are not subject to  
31 sales tax. See Minnesota Statutes, section 297A.041.

32 Even if the operator of one of these events fails to obtain  
33 the required evidence, a seller making taxable sales at those  
34 events must still obtain a permit and collect the tax unless  
35 there is an applicable exemption in Minnesota Statutes, chapter

1 297A.

2 Subp. 2. Form to use. The commissioner has prepared a  
3 form, Flea Market Operators Certificate of Compliance, for use  
4 by operators for complying with this law. Show event operators  
5 are required to keep completed certificates as part of their  
6 business records.

7 8130.3800 IMPOSITION OF USE TAX.

8 The "use tax" is a compensating or complementary tax,  
9 reaching the use, storage, or consumption of certain items  
10 purchased for use in Minnesota.

11 The use tax shall be imposed in accordance with the  
12 applicable provisions of the Sales and Use Tax Law that are  
13 controlling with respect to the imposition of the sales tax.

14 8130.3850 COMPUTATION OF USE TAX.

15 Compute the tax on the sales price to the nearest full  
16 cent. For sales under \$1, use the following guidelines:

17 A. In the computation of the amount of use tax to be  
18 collected on any transaction subject to a four percent rate,  
19 amounts of less than one-half cent may be disregarded and the  
20 amounts of one-half cent or more are considered as an additional  
21 cent. Thus, on a sale of 12 cents or less, the purchaser pays  
22 no tax; on a sale between from and including 13 cents to and  
23 including 37 cents, the purchaser is required to pay one cent  
24 tax; on a sale between from and including 38 cents to and  
25 including 62 cents, the purchaser is required to pay two cents  
26 tax; on a sale between from and including 63 cents to and  
27 including 87 cents, the purchaser is required to pay three cents  
28 tax; on a sale of from and including 88 cents to and including  
29 \$1.12, the purchaser is required to pay four cents tax; on a  
30 sale in excess of \$1, the purchaser is required to pay four  
31 percent on each full dollar plus the appropriate amount from the  
32 brackets above.

33 B. In the computation of the amount of tax to be  
34 collected on any transaction subject to a five percent rate,  
35 amounts of less than one-half cent may be disregarded and the

1 amounts of one-half cent or more are considered as an additional  
2 cent. Thus, on a sale of nine cents or less, the purchaser pays  
3 no tax; on a sale between from and including ten cents to and  
4 including 29 cents, the purchaser is required to pay one cent  
5 tax; on a sale between from and including 30 cents to and  
6 including 49 cents, the purchaser is required to pay two cents  
7 tax; on a sale between from and including 50 cents to and  
8 including 69 cents, the purchaser is required to pay three cents  
9 tax; on a sale between from and including 70 cents to and  
10 including 89 cents, the purchaser is required to pay four cents  
11 tax; on a sale between from and including 90 cents to and  
12 including \$1.09, the purchaser is required to pay five cents  
13 tax; and on a sale in excess of \$1, the purchaser is required to  
14 pay five percent on each full dollar plus the appropriate amount  
15 from the brackets above.

16 C. In the computation of the amount of tax to be  
17 collected on any transaction subject to a six percent rate,  
18 amounts of less than one-half cent may be disregarded and the  
19 amounts of one-half cent or more are considered as an additional  
20 cent. Thus, on a sale of eight cents or less, the purchaser  
21 pays no tax; on a sale between from and including nine cents to  
22 and including 24 cents, the purchaser is required to pay one  
23 cent tax; on a sale between from and including 25 cents to and  
24 including 41 cents, the purchaser is required to pay two cents  
25 tax; on a sale between from and including 42 cents to and  
26 including 58 cents, the purchaser is required to pay three cents  
27 tax; on a sale between from and including 59 cents to and  
28 including 74 cents, the purchaser is required to pay four cents  
29 tax; on a sale between from and including 75 cents to and  
30 including 91 cents, the purchaser is required to pay five cents  
31 tax; on a sale between from and including 92 cents to and  
32 including \$1.08, the purchaser is required to pay six cents tax;  
33 and on a sale in excess of \$1, the purchaser is required to pay  
34 six percent on each full dollar plus the appropriate amount from  
35 the brackets above.

1 8130.3900 LIABILITY FOR PAYMENT OF USE TAX.

2 Subpart 1. General rule. Minnesota Statutes, section  
3 297A.15, imposes upon the purchaser of tangible personal  
4 property used, stored, or consumed in Minnesota, liability for  
5 the use tax until the tax has been paid to Minnesota. However,  
6 where the purchaser can satisfy the commissioner that the tax  
7 has been collected from the purchaser by a retailer who is  
8 required under Minnesota Statutes, chapter 297A, to collect  
9 sales or use tax for Minnesota, or by a retailer authorized by  
10 the commissioner to collect the tax, the purchaser's liability  
11 for payment of the tax due is extinguished.

12 Subp. 2. Collection authorization. Where a seller who is  
13 not required to collect Minnesota sales or use tax indicates a  
14 willingness to collect a use tax on tangible personal property  
15 sold to persons located in Minnesota, authorization to do so may  
16 be granted to the seller provided the seller agrees:

17 A. to collect the use tax due from customers on  
18 storage, use, or consumption in Minnesota of taxable personal  
19 property in accordance with Minnesota Statutes, section 297A.16;

20 B. to file a Minnesota sales and use tax return for  
21 each month on or before the 20th day of the succeeding month  
22 (see Minnesota Statutes, section 289A.18), and to remit the use  
23 tax collected to Minnesota. (See Minnesota Statutes, section  
24 289A.31); and

25 [For text of item C, see M.R.]

26 8130.4000 COLLECTION OF TAX AT TIME OF SALE.

27 Subpart 1. Duty to collect tax. The following persons  
28 making taxable sales for use, storage, or consumption in  
29 Minnesota are required to collect the use tax from the purchaser  
30 at the time of sale, and give to the purchaser a receipt or  
31 other written or printed memorandum evidencing payment of the  
32 tax:

33 A. an out-of-state retailer maintaining a place of  
34 business in Minnesota;

35 B. a retailer who has voluntarily filed an

1 application for a permit and has been granted one under  
2 Minnesota Statutes, section 297A.21, subdivision 5; or

3 C. a retailer making retail sales from outside this  
4 state to a destination within this state if the retailer engages  
5 in the regular or systematic soliciting of sales from potential  
6 customers in this state.

7 If the tax is not imposed under Minnesota Statutes, chapter  
8 297A, because of exemptions enumerated therein, the retailer is  
9 not required to collect the tax.

10 Subp. 2. **Retailer maintaining a place of business in**  
11 **Minnesota.** "Retailer maintaining a place of business in  
12 Minnesota" is defined for purposes of this part as any retailer  
13 having or maintaining within Minnesota an office, distribution  
14 house, sales house, warehouse, a manufacturer's representative,  
15 salesperson, or any agent operating within this state under the  
16 authority of the retailer, whether the place of business or  
17 agent is located in Minnesota permanently or temporarily. Thus  
18 when a manufacturer's representative, salesperson, or agent is  
19 operating within Minnesota on behalf of the out-of-state  
20 retailer, the out-of-state retailer is required to have a  
21 permit, collect the Minnesota use tax from the customer, and  
22 remit the tax to the state of Minnesota. See Minnesota  
23 Statutes, section 297A.21, subdivision 1.

24 [For text of subp 3, see M.R.]

25 Subp. 4. **Manufacturer's representative.** When a  
26 manufacturer's representative takes the order and bills the  
27 purchaser and collects for the merchandise, the representative  
28 is then considered a vendor for purposes of administering the  
29 Minnesota Sales and Use Tax Law, and is required to have a  
30 permit and collect the sales tax from the customer.

31 Subp. 5. **Penalty.** Where an out-of-state vendor does not  
32 have a Minnesota sales and use tax permit, any manufacturer's  
33 representative, salesman, agent, or employee of the vendor, who  
34 sells, solicits orders for, or delivers tangible personal  
35 property in this state for such vendors, is guilty of a  
36 misdemeanor. See Minnesota Statutes, section 289A.63,

1 subdivision 6.

2 8130.4200 REGISTRATION.

3 Subpart 1. Duty to obtain a permit. The following persons  
4 making sales of items subject to the imposition of the use tax  
5 under Minnesota Statutes, section 297A.14, are required to  
6 obtain a sales and use tax permit from the commissioner:

7 A. any retailer maintaining a place of business in  
8 Minnesota; or

9 B. any retailer making retail sales from outside this  
10 state to a destination within this state if the retailer engages  
11 in the regular or systematic soliciting of sales from potential  
12 customers in this state.

13 Subp. 2. [See Repealer.]

14 Subp. 3. Required information. Each applicant must  
15 furnish the commissioner with the names and addresses of all the  
16 applicant's agents operating in Minnesota and the location of  
17 each of the applicant's distribution and sales houses or offices  
18 or other places of business within this state.

19 8130.4300 PROPERTY BROUGHT INTO MINNESOTA.

20 Subpart 1. General rule. Except as provided in Minnesota  
21 Statutes, section 297A.25, subdivision 32 (which exempts  
22 personal property from the tax where brought in by a nonresident  
23 just prior to becoming a resident), Minnesota Statutes, section  
24 297A.23, places the burden of proof on the purchaser of tangible  
25 personal property to prove that the items which were shipped or  
26 brought into Minnesota by such purchaser were not purchased from  
27 a retailer for storage, use, or consumption in Minnesota, and  
28 thus are not subject to Minnesota sales or use tax. Whether the  
29 property has been purchased for use in Minnesota usually will be  
30 determinable at or near the time of its purchase. Thus, a  
31 nonresident purchaser who can show that property had been  
32 purchased and previously used in another state for a reasonable  
33 period of time before being brought into Minnesota for use  
34 therein, usually will be deemed to have satisfied the  
35 requirements of Minnesota Statutes, section 297A.23.



1           Subp. 2. **Credit for tax paid to other state.** Whether a  
2 use tax is due and payable to Minnesota depends upon whether a  
3 tax is legally imposed by some other state. The credit is  
4 limited to sales or use tax legally owed to another state of the  
5 United States. This credit is not allowed for taxes paid to  
6 governmental subdivisions or foreign countries. See Minnesota  
7 Statutes, section 297A.24.

8 8130.4400 CREDIT AGAINST USE TAX.

9           Subpart 1. **General rule.** Under Minnesota Statutes,  
10 section 297A.24, a credit is allowed against the use tax due  
11 under Minnesota Statutes, section 297A.14, from any person on  
12 any item purchased by the person where the item has previously  
13 been subjected to a sales or use tax in another state. The  
14 credit is allowed to the extent of the rate legally imposed on  
15 the item in the other state. If the tax paid in the other state  
16 is subject to refund by the other state, it is not legally  
17 imposed for purposes of this credit. If the rate imposed by the  
18 other state is equal to or higher than the rate imposed under  
19 Minnesota Statutes, section 297A.14, then no tax is due.

20           Calculation of use tax due is governed by Minnesota  
21 Statutes, section 297A.24. That section states that use tax  
22 provisions apply only at the rate measured by the difference  
23 between the rate fixed by Minnesota Statutes, section 297A.14,  
24 and the rate by which the previous tax was calculated in the  
25 other state. The maximum amount of tax which will be assessed  
26 by Minnesota according to Minnesota Statutes, section 297A.24,  
27 is the amount of tax calculated from the Minnesota rate. Use  
28 tax due to Minnesota is the tax prescribed by the rate in  
29 Minnesota Statutes, section 297A.14, less the rate paid in the  
30 state of purchase. If the sales tax imposed in the state of  
31 purchase is equal to or greater than the amount of Minnesota use  
32 tax, no Minnesota use tax is due.

33           Subp. 2. **Erroneous tax payment.** A Minnesota taxpayer who  
34 erroneously pays a sales tax to another state may not take a  
35 credit against the tax due Minnesota on the Minnesota return.

1 Credit is allowed against the tax due Minnesota if the Minnesota  
2 taxpayer has legally paid a sales tax to another state and may  
3 only be taken by the person who paid the tax to the other state.

4 [For text of subp 3, see M.R.]

5 8130.7300 WHEN TAX IS DUE.

6 Subpart 1. **General rule.** Generally, except for the  
7 accelerated payment of the June liability, sales and use taxes  
8 imposed under law are due and payable at the office of the  
9 commissioner monthly on or before the 20th day of the month  
10 immediately following the month in which the taxable event or  
11 events occurred. See Minnesota Statutes, section 289A.20,  
12 subdivision 4.

13 Subp. 2. **Other reporting periods.** In addition, under  
14 authorization granted to the commissioner by law (see Minnesota  
15 Statutes, section 289A.20, subdivision 4), the commissioner may  
16 authorize other reporting periods.

17 A. The authorizations may be granted provided:

18 (1) the person desiring to file on other than a  
19 monthly basis must apply to file quarterly or annual Minnesota  
20 sales and use tax returns, with the Taxpayer Information  
21 Division.

22 (2) The person applying for authorization to  
23 file on a quarterly basis must have had average sales and use  
24 tax liability of less than \$250 per month for the six-month  
25 period preceding the period for which the change in filing is  
26 requested as adjusted under item B. The person applying for  
27 authorization to file an annual return must have had an average  
28 sales and use tax liability of less than \$25 per month for the  
29 preceding one-year period as adjusted under item B.

30 B. The commissioner will annually recalculate the  
31 maximum liability amounts for quarterly or annual filing, using  
32 the percentage calculated pursuant to Minnesota Statutes,  
33 section 290.06, subdivision 2d, paragraph (b). If the maximum  
34 liability amount so calculated is more than \$50 above the  
35 maximum liability amount for quarterly filing then in effect,

1 the maximum liability amount for quarterly filing will be  
2 increased \$50. The maximum liability amount for annual filing  
3 will be increased by \$5 each time the quarterly maximum  
4 liability amount is increased.

5 C. If authorization to file on other than a monthly  
6 basis has been granted by the commissioner, the tax due  
7 thereunder must be paid at the office of the commissioner on or  
8 before the 20th day of the month immediately following the close  
9 of the authorized period.

10 D. If the person is applying for a new sales tax  
11 permit and has no history of tax liability, application for  
12 authorization may be made on the permit application. The person  
13 must estimate whether the expected liability will average less  
14 than \$250 per month, for quarterly filing, as adjusted under  
15 item B, or less than \$25 per month, for annual filing, as  
16 adjusted under item B.

17 Subp. 3. **Revocation of filing period.** Authorizations  
18 granted by the commissioner to file sales and use tax returns,  
19 either on a quarterly or annual basis, may be revoked if:

20 A. the person granted the authorization is either  
21 delinquent in filing the return or in paying the tax due;

22 B. the person's tax liability exceeds \$750 for any  
23 subsequent quarter where the filing of quarterly returns has  
24 been authorized, or where the person's tax liability exceeds  
25 \$300 for any subsequent calendar year where an annual return has  
26 been authorized; or

27 C. the commissioner determines that the procedures  
28 authorized under this part unduly jeopardize the orderly and  
29 efficient administration of the Sales and Use Tax Law.

30 In the event that authorization to file returns and pay the  
31 tax due thereon, either on a quarterly or annual basis, is  
32 revoked by the commissioner, the person whose authorization has  
33 been revoked shall thereafter file the return and pay the tax  
34 due thereon on a monthly basis in accordance with this part.

35 When the filing amounts in subpart 2, item A, are adjusted  
36 by the commissioner under subpart 2, item B, the amounts in this

1 subpart must be adjusted proportionately by the commissioner.

2 In the event that a person authorized to file on a  
3 quarterly or annual basis ceases to engage in a kind of business  
4 which requires that a return be filed under the Sales and Use  
5 Tax Law, the person must file a final return by the 20th day of  
6 the month following the discontinuance of such business.

7 Subp. 4. **Accelerated payment of June liability.** Some  
8 persons are required to file an estimated June sales tax return  
9 early using an estimated June sales and use tax return. A  
10 person whose May sales tax liability is \$1,500 or more must file  
11 an estimated June tax return. The law requires these persons to  
12 pay one-half of the estimated June tax by June 20 each year,  
13 when the May return is filed.

14 A person required to make the estimated June tax payment  
15 must file the regular June return and pay the balance of the  
16 June payment by August 20, which is also the due date of the  
17 July return. This payment may be paid at any time before the  
18 due date. The taxpayer must file separate returns for the  
19 months of June and July. No estimated June tax payment is  
20 required if the May tax liability is less than \$1,500.

21 Taxpayers who are not required to make the estimated June  
22 tax payment must file the June return by July 20.

23 Subp. 5. **Local sales and use tax procedure.** Retailers  
24 located outside of cities that impose local sales and use taxes  
25 are not required to remit the local use taxes until the amount  
26 of local use tax collected is \$10 or more. See Minnesota  
27 Statutes, section ~~289.20~~ 289A.20, subdivision 4.

28 When the amount of local use tax collected is \$10 or more,  
29 the total amount of local use tax must be remitted to the  
30 commissioner with a local sales and use tax return at the time  
31 of the retailer's next regular periodic payment.

32 8130.7400 UNCOLLECTIBLE DEBT DEDUCTION.

33 Subpart 1. **General rule.** Ordinarily, a deduction for  
34 uncollectible debts is allowed only for a person who is  
35 reporting on the accrual method of accounting for sales and use

1 tax purposes. However, if a cash basis taxpayer accepts an  
2 unsecured check in payment for a sale, reports the sale, and  
3 subsequently determines that the check is uncollectible, the  
4 taxpayer is entitled to an uncollectible debt deduction.  
5 Uncollectible debts (commonly referred to as bad debts) will be  
6 recognized as a deduction for sales tax purposes only when given  
7 recognition by a direct charge-off for federal income tax  
8 purposes or, if the retailer is not required to file income tax  
9 returns, charged off in accordance with generally accepted  
10 accounting principles. Consequently, no anticipatory or  
11 statistical method of estimating future uncollectible debts will  
12 be allowed by the commissioner. See Minnesota Statutes, section  
13 297A.26, subdivision 2.

14       **Subp. 2. Deduction determination.** If a debt becomes  
15 uncollectible, either in whole or in part, in a reporting period  
16 subsequent to the period in which the transaction that gave rise  
17 to the uncollectible debt occurred, the retailer may deduct the  
18 uncollectible debt from the gross receipts for the reporting  
19 period in which the uncollectible debt is determined to be  
20 uncollectible in accordance with the following rules.

21       A. If the uncollectible debt arose in respect of a  
22 sale required to be included in gross receipts, subject to a tax  
23 imposed under the Sales and Use Tax Law, the entire amount of  
24 the debt remaining uncollected is allowed as a deduction.

25       B. If the uncollectible debt arose in respect of a  
26 sale partly subject to the tax imposed under the Sales and Use  
27 Tax Law and partly exempt thereunder, the amount of the  
28 uncollectible debt allowed as a deduction is the amount derived  
29 by multiplying the uncollectible debt by the percentage that the  
30 taxable sale bears to the total sales.

31       C. If the uncollectible debt arose in respect of two  
32 or more sales made at successive intervals, payments made before  
33 the date the debt became uncollectible must be applied, first to  
34 the earliest sale upon which there is an unpaid balance, and to  
35 following sales in successive order.

36       **Subp. 3. Excess carryover.** In the event that the seller

1 is entitled to an uncollectible debt deduction in excess of the  
2 amount the seller is required to report for the month in which  
3 the debt is determined to be uncollectible, the balance of the  
4 deduction may be used in a subsequent month.

5       **Subp. 4. Repossessions.** In the case of repossessions, an  
6 uncollectible debt deduction is allowable only to the extent  
7 that the pro rata portion of all payments and credits,  
8 attributable to the cash sales price of the merchandise is less  
9 than the net contract balance (after excluding unearned  
10 insurance and finance charges) at the date of repossession.

11       **Subp. 5. Recovery of uncollectible debts previously**  
12 **deducted.** If an uncollectible debt deduction is taken and the  
13 taxpayer subsequently collects the debt in whole or in part, the  
14 amount collected must be included in the first return filed  
15 after collection, and the amount of tax thereon must be paid  
16 with the return.

17 **8130.7500 RETURNS AND RECORDS.**

18       **Subpart 1. Sales and use tax return.** Any person to whom  
19 the commissioner has issued a permit under Minnesota Statutes,  
20 sections 297A.04 and 297A.06, must file a sales and use tax  
21 return, prescribed by the commissioner. The sales and use tax  
22 return and instructions issued as a guide thereto are available  
23 from the commissioner. The return must be signed either by the  
24 permit holder or by a person having the control, supervision, or  
25 responsibility of filing returns and making payment of the sales  
26 and use tax.

27       **Subp. 2. Consumer's use tax return.** Any person required  
28 to file a use tax return under Minnesota Statutes, section  
29 289A.11, subdivision 3, and who has not been issued a sales and  
30 use tax permit, must file a consumer's use tax return, on or  
31 before the 20th day of the month immediately following the month  
32 in which the property subject to use tax was first brought into  
33 Minnesota.

34       **Subp. 3. Consolidated returns permitted.** Under Minnesota  
35 Statutes, section 289A.11, subdivision 1, if the person required

1 to file a return has two or more places of business at which the  
2 person engages in transactions subject to tax, the person may  
3 elect to file a consolidated sales and use tax return, for all  
4 such places of business under the following conditions:

5 A. the taxpayer has been granted a sales and use tax  
6 account number by the commissioner;

7 B. the taxpayer furnishes to the commissioner a list  
8 containing the business name and address and reporting  
9 information specified in subpart 5 for each separate place of  
10 business; and

11 C. the taxpayer makes available at the address used  
12 by the taxpayer on the consolidated return the information  
13 pertinent to each separate place of business in order that the  
14 commissioner may be able to perform a proper audit with respect  
15 to the return so filed.

16 Subp. 4. **Time and place of filing.** Under Minnesota  
17 Statutes, section 289A.18, subdivision 4, all tax returns must  
18 be filed at the office of the commissioner on or before the 20th  
19 day of the month immediately following the month for which the  
20 taxes are due, unless authorization has been granted to the  
21 person required to file either on a quarterly or annual basis.  
22 Where a quarterly or annual filing is authorized, the return is  
23 required to be filed at the office of the commissioner on or  
24 before the 20th day of the month immediately following the close  
25 of the period authorized. If any return required under the  
26 provisions of the Sales and Use Tax Law becomes due upon a  
27 Saturday, Sunday, or legal holiday, the return will be  
28 considered timely filed if it is filed or received upon the next  
29 succeeding regular business day.

30 Subp. 5. **Reporting requirements.** Reporting requirements  
31 are:

32 A. All sales and use tax returns filed shall show  
33 total gross sales in any manner related to Minnesota business  
34 (not including the sales tax collected) on line one of the  
35 return without any exclusions except for the following:

36 (1) charges for personal services rendered;

1 (2) labor or service charges for installing or  
2 applying goods sold if separately stated;

3 (3) charges for interest, financing, and  
4 transportation incurred after the sale if separately stated;

5 (4) trade-in allowances;

6 (5) cash discounts and cash or credit refunds on  
7 taxable property returned by customers;

8 (6) installment payments on conditional or credit  
9 sales previously reported;

10 (7) labor used in repairing, which does not  
11 include altering, modifying, or assembling tangible personal  
12 property if separately stated;

13 (8) isolated or occasional sales of tangible  
14 personal property; and

15 (9) leases of real property, if the lease is not  
16 for lodging or similar use for a period of less than 30 days,  
17 subject to part 8130.1000 and leases of manufactured homes used  
18 for residential purposes for a continuous period of 30 days or  
19 more.

20 All exclusions from line one must be supported by the  
21 taxpayer's accounting records.

22 B. All gross sales included in line one of the return  
23 but not subject to tax under the provisions of the Sales and Use  
24 Tax Law must be itemized on the reverse side of the return. The  
25 total of itemized deductions must be shown on line two of the  
26 return. The itemized deductions must be supported by the  
27 taxpayer's accounting records and cannot be computed by  
28 subtracting line three from line one of the return.

29 C. All sales revenues taxable under the provisions of  
30 the Sales and Use Tax Law must be shown on line three of the  
31 return, and the amount must be computed by subtracting line two  
32 (deductions) from line one (gross sales).

33 D. All purchases not previously taxed by the vendor,  
34 and subject to the tax under the provisions of the Sales and Use  
35 Tax Law must be shown on line four of the return without regard  
36 to the location of the vendor.



1 E. The sum of net sales from line three plus taxable  
2 purchases from line four must be shown on line five of the  
3 return.

4 F. The amount on line five of the return multiplied  
5 by the current tax rate computes the amount of tax due that must  
6 be shown on line six of the return.

7 G. All liquor sales that are subject to a tax rate  
8 greater than the general sales tax rate must be shown on line  
9 seven of the return. The amount on line seven must also be  
10 included in gross sales on line one.

11 H. The amount of additional tax due on liquor sales  
12 must be shown on line eight of the return. The tax is computed  
13 by multiplying the amount on line seven by the tax rate on line  
14 eight of the return.

15 I. The sum of sales and use tax due from line six  
16 plus the additional liquor tax due from line eight must be shown  
17 on line nine of the return.

18 J. If an incorrect amount of tax was reported in a  
19 previous period, an adjustment may be entered on line 11. A  
20 detailed explanation of the adjustment must be submitted with  
21 the return. The explanation must include the following:

- 22 (1) name;
- 23 (2) sales and use tax account number;
- 24 (3) the period(s) in which the incorrect amount  
25 of tax was reported;
- 26 (4) computation to arrive at amount of  
27 adjustment; and
- 28 (5) the reason(s) for the adjustment (attach  
29 pertinent supporting documents).

30 The amount of the overpayment being taken as an adjustment  
31 on line 11 must not exceed the amount of tax due on line 9. The  
32 amount of the adjustment which exceeds the tax due on line 9  
33 must be taken as line 11 adjustment on a subsequent return.

34 Overpayments in excess of \$1,000 must not be entered on  
35 line 11. Refunds of overpayments must be requested by filing a  
36 claim for refund.

1           Subp. 6. **Records; general.** Every seller, retailer, and  
2 person storing, using, or otherwise consuming in this state  
3 tangible personal property or taxable services as defined in  
4 Minnesota Statutes, section 297A.01, subdivision 3, purchased  
5 from a retailer, and every lessor and lessee of tangible  
6 personal property for use in this state must keep adequate and  
7 complete records showing:

8           A. gross receipts from sales or lease payments from  
9 leases of tangible personal property (including any services  
10 that are a part of the sale or lease) made within Minnesota  
11 irrespective of whether the seller or lessor regards the  
12 receipts as taxable or nontaxable;

13           B. all deductions allowed by law and claimed in  
14 filing returns; and

15           C. total purchase price of all sales or purchases as  
16 defined in Minnesota Statutes, section 297A.01, subdivision 3,  
17 purchased for sale or consumption or lease in Minnesota.

18           These records must include the normal books of account  
19 ordinarily maintained by the average prudent businessperson  
20 engaged in the activity in question, together with all bills,  
21 receipts, invoices, cash register tapes, or other documents of  
22 original entry supporting the entries in the books of account as  
23 well as all schedules or working papers used in connection with  
24 the preparation of tax returns.

25                           [For text of subp 7, see M.R.]

26           Subp. 8. **Electronic data processing records.** "Electronic  
27 data processing records" include punched cards, magnetic tapes,  
28 magnetic disk packs, computer disks, and other machine-sensible  
29 data media used for recording, consolidating, and summarizing  
30 accounting transactions and records within a taxpayer's  
31 electronic data processing system. These records are required  
32 to be retained so long as their contents may be material in the  
33 administration of any provision of the Sales and Use Tax Law.  
34 The commissioner shall decide the materiality of any such  
35 records, and if the materiality of any record is questionable,  
36 then the record must be retained. It is not required that

1 taxpayers retain the same data on two or more machine-sensible  
2 media. If there is a duplication of data between two or more  
3 electronic data processing media, the taxpayer must maintain a  
4 complete set of all the records on at least one of the media.

5 These requirements apply to any taxpayer who maintains any  
6 records on an electronic data processing media. The records to  
7 be maintained are as follows.

8 A. A general ledger, with source references, to  
9 coincide with financial reports for sales tax reporting  
10 periods. In cases where subsidiary ledgers are used to support  
11 the general ledger accounts, the subsidiary ledgers must be  
12 maintained.

13 B. Invoices, vouchers, and other records which  
14 support the summary accounting data. There records must be  
15 identified and made available to the department upon request.

16 C. The records which provide the opportunity to trace  
17 any transaction back to the original source or forward to a  
18 final total. If printouts are not made at the time of  
19 processing, then the system must have the ability to reconstruct  
20 these transactions.

21 D. A general description or documentation of the  
22 electronic data processing portion of the accounting system.  
23 This includes but is not limited to:

24 [For text of subitems (1) and (2), see M.R.]

25 (3) standard operating procedures and control  
26 procedures, including the reconciliation of electronic data  
27 processing controls to nonelectronic data processing controls,  
28 error listings and error logs, and any other controls, either  
29 electronic data processing or manual, used to ensure accurate  
30 and reliable processing.

31 Any taxpayer retaining disbursement or revenue records on  
32 electronic data processing records for any individual original  
33 transactions, or any summary of the transactions subject to the  
34 tax under the provisions of the Sales and Use Tax Law must  
35 separately show the amount of sales tax paid or the amount of  
36 sales tax collected. It is permissible, however, to group all

1 taxable sales or all taxable purchases into various accounts,  
2 all of which are taxable, providing that if a nontaxable  
3 transaction is combined with a taxable transaction in the same  
4 account, then, with respect to each individual transaction, the  
5 tax is separately shown in the electronic data processing record.

6 An electronic data processing system must include a method  
7 of producing visible and legible paper records from the  
8 electronic data processing records which will provide the  
9 necessary information for verification of the taxpayer's tax  
10 liability.

11 Production of these paper records does not eliminate the  
12 necessity of maintaining the corresponding electronic data  
13 processing records as required by the first paragraph of this  
14 subpart.

15 8130.7600 SECURITY: NOTICE FROM COMMISSIONER.

16 Subpart 1. In general. In order to assure payment of the  
17 tax due, the commissioner may require that sufficient security  
18 be deposited with the commissioner by a retailer required to  
19 remit payment of the tax under the Sales and Use Tax Law.

20 Subp. 2. to 4. [See Repealer.]

21 Subp. 5. Notice of sale. Notice of sale of such security  
22 must be served either personally upon the person who deposited  
23 the security or by mail in the same manner as used with respect  
24 to service of notice in Minnesota Statutes, section 289A.37,  
25 subdivision 5.

26 Subp. 6. Notice of requirement. Whenever the commissioner  
27 requires a security deposit under Minnesota Statutes, section  
28 297A.07 and 297A.28, the commissioner must so notify, in  
29 writing, the person from whom the deposit is required. The  
30 written notification must be signed either by the commissioner  
31 or an authorized representative. The notice must set forth the  
32 amount of security and the basis upon which the required amount  
33 was computed.

34 8130.7700 EXTENSION OF TIME TO FILE RETURN.

35 Subpart 1. General rule. Whenever the commissioner

1 believes good cause exists, the commissioner may, upon  
 2 application, extend the time for filing a return. The extension  
 3 only applies to filing of the return, not payment of the tax.  
 4 The tax must still be paid on the original due date. The  
 5 extension shall not exceed 60 days from the date on which the  
 6 return is due. (See Minnesota Statutes, sections 289A.18,  
 7 subdivision 4, and 289A.19, subdivision 5, regarding due dates  
 8 for filing returns.)

9 Subp. 2. [See Repealer.]

10 Subp. 3. **Conditions.** Extension may be granted subject to  
 11 the following conditions:

12 A. the extension request must be filed on or before  
 13 the due date for filing the return, must be in writing, and  
 14 contain the taxpayer's name, account number, and reason for  
 15 request;

16 [For text of item B, see M.R.]

17 C. the extension request must be signed by the  
 18 applicant or the applicant's duly authorized agent; and

19 D. the extension request must be forwarded to the  
 20 Minnesota Department of Revenue, Taxpayer Information Division,  
 21 Mail Station 4453, Saint Paul, Minnesota 55146-4453, and  
 22 submitted in an envelope marked "Extension Request."

23 ~~If~~ When the extension request is approved or denied,  
 24 ~~the original copy, marked "Approved," will be returned to the~~  
 25 applicant will be informed of the determination in writing. ~~The~~  
 26 ~~extension request, as approved, should be attached to the~~  
 27 ~~completed return when filed.~~

28 8130.7900 RETURN FILING; FAILURE TO FILE.

29 Subpart 1. **Duty to file returns.** The following persons  
 30 making taxable sales or taxable use of tangible personal  
 31 property in Minnesota, or holding a sales and use tax permit,  
 32 must file returns pursuant to Minnesota Statutes, chapter 289A:

33 A. any retailer located in Minnesota;

34 B. any retailer maintaining a place of business in  
 35 Minnesota;

1 C. any retailer who has voluntarily filed an  
2 application for a permit and has been granted one under  
3 Minnesota Statutes, section 297A.21, subdivision 5;

4 D. any retailer making retail sales from outside this  
5 state to a destination within this state if the retailer engages  
6 in the regular or systematic soliciting of sales from potential  
7 customers in this state;

8 E. a purchaser making use of items obtained with an  
9 exemption certificate for other than the exempt purpose (see  
10 Minnesota Statutes, section 297A.12);

11 F. a person upon whom liability for use tax is  
12 imposed by Minnesota Statutes, section 297A.14; and

13 G. any person holding a direct pay permit.

14 Subp. 2. **Failure to file.** Any person described in subpart  
15 1 who is required to file a return and fails to do so within the  
16 time prescribed by law or by rule, or who files an incorrect,  
17 false, or fraudulent return, must, upon the written demand of  
18 the commissioner, file the return required or the corrected  
19 return, as the case may be, within 30 days after the written  
20 demand for the return has been mailed to the person, and at the  
21 same time pay any tax due on the basis of the return.

22 Subp. 3. **Failure to comply with demand.** If the person  
23 upon whom the written demand has been made fails to comply with  
24 the demand, the commissioner, through knowledge and information  
25 that is obtained through testimony or by any other means  
26 available to the commissioner, will prepare a return or  
27 corrected return and assess a tax on the basis of that return.  
28 The tax assessed must be paid within ten days after the  
29 commissioner has mailed to the person a written notice of the  
30 amount assessed and a demand for its payment.

31 8130.8000 TIME LIMITATION ON ASSESSMENT AND COLLECTION.

32 Subpart 1. **In general.** Except as otherwise provided in  
33 the Sales and Use Tax Law and except for circumstances referred  
34 to in other rules pertinent to Minnesota Statutes, section  
35 289A.38, the assessment of tax for any period for which a tax is

1 due must be made within three and one-half years from the date  
2 the return was filed. A return filed before the last day  
3 prescribed by law for filing thereof will be considered as filed  
4 on the last day.

5 Subp. 2. and 3. [See Repealer.]

6 Subp. 4. **Omission of 25 percent.** In the case of omission  
7 from the return of a dollar amount properly includible therein  
8 which is in excess of 25 percent of the ~~dollar-amount~~ tax  
9 reported in the return the tax may be assessed or a proceeding  
10 in court for the collection of the tax may be begun at any time  
11 within six and one-half years after the return was filed. See  
12 Minnesota Statutes, section 289A.38, subdivision 6.

13 A. The dollar amount reported in the return shall  
14 mean the total ~~taxable~~ amount of tax as shown on the return  
15 ~~which-includes-both-taxable-sales-and-purchases-subject-to-the~~  
16 ~~use-tax.~~

17 B. For purposes of computing the dollar amount of the  
18 omission there cannot be included amounts disallowed as  
19 deductions or unreported retail sales which would constitute  
20 allowable deductions in determining net taxable sales. The  
21 computation of the percentage of omission is the percentage  
22 derived by dividing the dollar amount of ~~taxable-sales-and-use~~  
23 tax not reported on the return by the dollar amount of ~~taxable~~  
24 ~~sales-and-use~~ tax that ~~were~~ was reported on the return.

25 Subp. 5. [See Repealer.]

26 Subp. 6. **Waivers.** The commissioner and the taxpayer may  
27 consent to an extension of the period in which the tax may be  
28 assessed, by a written waiver executed by both parties either  
29 within three and one-half years after the return was filed or,  
30 in the case of an omission of an amount as specified in subpart  
31 4, within six and one-half years after the return was filed.  
32 The period agreed upon may be extended by subsequent waivers in  
33 writing made before the expiration of the period previously  
34 agreed upon. See Minnesota Statutes, section 289A.42,  
35 subdivision 1.

36 Subp. 7. **Collection of tax by court action.** When the

1 assessment of tax is made within the period of limitation as  
2 prescribed in subparts 1, 4, and 6, the tax due and owing may be  
3 collected by a proceeding in court, provided that the action is  
4 instituted within five years after the assessment of the tax.  
5 See Minnesota Statutes, section 270.68, subdivision 1.

6 The period of time for collection proceedings is subject to  
7 suspension. See Minnesota Statutes, section 289A.41.

8 8130.8100 CLAIM FOR REFUND.

9 Subpart 1. In general. A person, as defined in Minnesota  
10 Statutes, section 297A.01, subdivision 2, who has overpaid sales  
11 or use tax for any period, may file a claim for refund with the  
12 commissioner for the amount of the overpayment. The claim for  
13 refund must be submitted on a department form as prescribed by  
14 the commissioner and be completed in the manner prescribed  
15 therein. The claim must set forth in detail the grounds for  
16 each adjustment and the facts supporting those grounds.

17 Subp. 2. Requirements for refund claim. Conditions to be  
18 met before the commissioner will entertain a claim for refund:

19 A. The person filing a claim for refund must have  
20 paid the tax and filed the sales and use tax return upon which  
21 the claim is based directly to the commissioner (or the tax was  
22 collected from such person other than by means of court action  
23 in district court, either at law or in equity by the  
24 commissioner), except the following:

25 (1) A person who has paid tax on electricity used  
26 in agricultural production that is exempt from taxation under  
27 Minnesota Statutes, section 297A.25, subdivision 9, may file a  
28 claim for refund with the commissioner if the tax was paid to  
29 the retail rural electric cooperative association based in  
30 Aitkin county. See Laws of Minnesota 1986, chapter 399, article  
31 1, section 5.

32 (2) A disabled veteran who purchases building  
33 materials or on whose behalf a contractor, subcontractor, or  
34 builder purchases building materials for use in the construction  
35 or remodeling of the veteran's residence, when the construction



1 or remodeling is financed in whole or in part by the United  
2 States in accordance with United States Code, title 38, sections  
3 801 to 805, as amended, may claim a refund directly from the  
4 commissioner. A veterans's claim for refund form is available  
5 upon request from the Department of Revenue for use by disabled  
6 veterans in making claims. See part 8130.6400, and Minnesota  
7 Statutes, section 297A.25, subdivision 20.

8 (3) Since July 1, 1984, the sales and use tax on  
9 capital equipment is initially paid at the six percent rate. In  
10 order to obtain the refund of sales and use tax paid on the  
11 purchases of qualifying capital equipment, the purchaser must  
12 file a claim for refund form with the commissioner. The claim  
13 is filed with the Business Trust Tax Unit, Department of  
14 Revenue. No adjustment for the tax paid on capital equipment  
15 will be allowed as credit against tax due on current sales and  
16 use tax returns being filed by a Minnesota sales and use tax  
17 permit holder.

18 Refund claims may include more than one purchase of  
19 machinery or equipment. However, no more than two claims will  
20 be accepted from a purchaser in a calendar year. See Minnesota  
21 Statutes, section 297A.15, subdivision 5.

22 Interest on capital equipment refunds or credits begins to  
23 accrue on the date the claim is filed. See Minnesota Statutes,  
24 section 289A.56, subdivision 4. For purposes of calculating the  
25 interest due, a claim is not considered filed until sufficient  
26 documentation to process the claim is submitted to the  
27 commissioner.

28 When filing a claim for refund for purchases of qualifying  
29 capital equipment, the purchaser must provide sufficient  
30 documentation to substantiate the allowance of the requested  
31 refund. The following information must be submitted with the  
32 completed claim for refund form:

33 (a) a Minnesota tax identification number  
34 or, if none, the purchaser's social security number;

35 (b) a description of the business activity  
36 including an explanation of the circumstances (for example,

1 opening a new production facility, expansion of an existing  
2 facility, or whether or not the equipment purchased replaces  
3 existing equipment) under which the claim is filed;

4 (c) a description of the property purchased  
5 and how it will be used in the production process;

6 (d) a copy of the purchase invoice for each  
7 equipment purchase and written evidence of payment of the six  
8 percent tax or such other evidence as the commissioner deems  
9 necessary;

10 (e) for leased equipment, a copy of the  
11 invoice showing sales tax paid on the lease payments and a copy  
12 of the lease agreement; and

13 (f) if a use tax was accrued and reported  
14 for the equipment purchase, verification that the use tax was  
15 reported to the state of Minnesota, including evidence of  
16 payment of the six percent tax.

17 (4) The owner of homestead property may file a  
18 refund claim directly with the commissioner if a chair lift,  
19 ramp, or elevator was installed or constructed on the owner's  
20 homestead pursuant to Minnesota Statutes, section 297A.25,  
21 subdivision 43.

22 (5) A common carrier that has applied for a  
23 direct pay certificate under the provisions of Minnesota  
24 Statutes, section 297A.211, may file a claim for refund of tax  
25 previously paid to a seller. This refund will be calculated  
26 according to the provisions of Minnesota Statutes, section  
27 297A.211, subdivision 3, and interest will be calculated  
28 according to the provisions of Minnesota Statutes, section  
29 289A.56, subdivision 5.

30 B. A claim for refund must be filed within two years  
31 after the tax was paid in full, or within three and one-half  
32 years from the date prescribed for filing the return, whichever  
33 period expires later. See Minnesota Statutes, section 289A.40,  
34 subdivision 1. If the commissioner and the claimant have  
35 consented to extend the time for assessment of tax under  
36 Minnesota Statutes, section 289A.42, subdivision 1, the claim

1 may be filed within the extended period. For purposes of  
2 ascertaining whether a claim for refund is timely filed with the  
3 commissioner, a return filed before the date on which the return  
4 was due will be determined to have been filed on the date when  
5 due. A return postmarked on the date due will be determined to  
6 have been filed as of that date.

7 C. A claim filed by a corporation must bear the  
8 signatures and titles of the officers having the authority to  
9 sign for the corporation.

10 Whenever it is necessary to have the claim executed by an  
11 attorney or agent on behalf of the claimant, an original,  
12 executed power of attorney specifically authorizing the agent or  
13 attorney to sign the claim on behalf of the claimant must  
14 accompany the claim.

15 If a return is filed by a person who dies after filing a  
16 return, and a refund claim is filed by a legal representative of  
17 the decedent, certified copies of the letters testamentary,  
18 letters of administration, or other similar evidence must be  
19 filed with the claim to show the authority of the executor,  
20 administrator, or other fiduciary by whom the claim is filed.  
21 If an executor, administrator, or other fiduciary files a return  
22 and thereafter a refund claim is filed by the same fiduciary,  
23 documentary evidence to establish the legal authority of the  
24 fiduciary need not accompany the claim, provided a statement is  
25 made on the claim showing the return was filed by the fiduciary  
26 and that the latter is still acting in such capacity.

27 If a vendor has collected from a purchaser and remitted to  
28 the state a tax on a transaction that is not subject to tax  
29 under Minnesota Statutes, chapter 297A, the tax, and any  
30 interest earned on the tax, is refundable to the vendor only if  
31 and to the extent that the vendor submits written evidence that  
32 the tax and interest will be returned by the vendor to the  
33 purchaser or credited to amounts due to the vendor by the  
34 purchaser.

35 Subp. 3. **Commissioner action.** Action taken by the  
36 commissioner after a claim for refund is filed:

1           A. Upon receipt of a claim for refund, the  
2 commissioner will examine the return and make any investigation  
3 or examination of any of the accounts and records pertaining to  
4 the claim that the commissioner considers necessary. The  
5 commissioner will then prepare written findings, either denying  
6 or allowing the claim, in whole or in part, and will mail a  
7 notice to the person filing the claim at the address stated on  
8 the return or to any other address furnished by the claimant in  
9 writing.

10           B. The amount allowed by the commissioner as a refund  
11 is first applied against any sales or use tax owed to the  
12 commissioner by the claimant, and any remaining balance due the  
13 claimant may be applied against any other delinquent tax  
14 liability owed by the claimant. Interest will be computed on  
15 the amounts refunded or credited from the date of overpayment to  
16 the date when the refund or credit is authorized by the  
17 commissioner, except for capital equipment claims and claims  
18 pursuant to Minnesota Statutes, section 297A.25, subdivision  
19 43. See Minnesota Statutes, sections 289A.56, subdivision 4,  
20 and 297A.15, subdivisions 5 and 6.

21           The interest rate on overpayments will be the interest rate  
22 that the commissioner establishes under Minnesota Statutes,  
23 section 270.75, subdivision 5, to be charged on unpaid taxes.  
24 The interest rate will be adjusted annually and will become  
25 effective annually when the interest rate on unpaid taxes  
26 changes. See Minnesota Statutes, sections 270.76 and 289A.56,  
27 subdivision 1.

28           C. If a claim for refund made by a vendor is based  
29 upon overpayment of sales tax by a purchaser to the vendor, the  
30 commissioner, for purposes of ascertaining the validity of the  
31 claim, may request substantiation of the overpayment by the  
32 purchaser, or examine the purchaser's records. If the  
33 commissioner is unable to establish the validity of the  
34 overpayment after conducting an examination of the purchaser's  
35 records, the commissioner will deny the claim.

36           Subp. 4. [See Repealer.]

1 Subp. 5. One dollar limitation. No refund will be made  
2 where the amount is \$1 or less.

3 8130.8300 ABATEMENT AND INTEREST ON UNPAID LIABILITIES.

4 Subpart 1. Interest. Interest on unpaid liabilities will  
5 accrue at the rate as periodically adjusted by the commissioner  
6 pursuant to Minnesota Statutes, section 270.75, subdivision 5.

7 Subp. 2. Late payment. The amount of tax not timely paid  
8 together with the penalty imposed thereon will bear the  
9 applicable rate of interest from the time the tax should have  
10 been paid until paid. "Timely paid" means paid on or before the  
11 due date as provided by law. See Minnesota Statutes, section  
12 289A.55.

13 Subp. 3. to 5. [See Repealer.]

14 Subp. 6. Abatement of penalties and interest. Under  
15 Minnesota Statutes, section 270.07, subdivision 1, the  
16 commissioner has the power to abate penalties and interest when,  
17 in the commissioner's opinion, the failure to timely pay the tax  
18 or timely file the return is due to reasonable cause. The  
19 exercise of this power is subject to the approval of the  
20 attorney general if the abatement exceeds the amount specified  
21 in Minnesota Statutes, section 270.07, subdivision 1. All  
22 requests for abatement of penalties and/or interest must be in  
23 writing and must set forth the reasons for the failure to file  
24 the return and pay the tax timely.

25 8130.8400 LIMITATIONS ON DISCLOSURE OF SALES AND USE TAX  
26 INFORMATION.

27 Subpart 1. General rule. The particulars disclosed in any  
28 report or sales and use tax return as well as any information  
29 acquired from the records or from officers or employees  
30 concerning affairs of the person filing the return may not be  
31 divulged or made known other than to persons qualified or  
32 authorized under the Sales and Use Tax Law. Any person  
33 violating Minnesota Statutes, chapter 270B, is guilty of a gross  
34 misdemeanor.

35 Subp. 2. Statistics. The secrecy provision of Minnesota

1 Statutes, chapter 270B, does not prohibit the commissioner from  
2 publishing statistics regarding sales and use tax returns in  
3 cases where the statistics do not identify in any manner the  
4 persons who filed the returns.

5 Subp. 3. **Inquiry as to a named retailer.** The secrecy  
6 provisions will not be violated where the commissioner or one of  
7 the commissioner's employees, with respect to any inquiry  
8 regarding the issuance of a permit to a named retailer, advises  
9 the person making the inquiry whether or not a permit has been  
10 issued to the named retailer. The commissioner or  
11 commissioner's employee may also furnish the sales and use tax  
12 account number, date of issuance of the permit, whether the  
13 permit has been canceled or revoked, name and address of the  
14 permit holder, and the business name and location. See  
15 Minnesota Statutes, section 270B.08.

16 Subp. 4. **Information for Multistate Tax Commission**  
17 **audits.** The commissioner is authorized on a reciprocal basis to  
18 exchange information with the taxing officials of another state  
19 or with the taxing officials of any municipality of this state  
20 which has a local sales or use tax. The commissioner is also  
21 authorized to exchange information with the Multistate Tax  
22 Commission for the Multistate Tax Commission to audit corporate  
23 sales and use tax returns. See Minnesota Statutes, section  
24 270B.12.

25 Subp. 5. **Relation to other tax laws.** To ensure consistent  
26 application and enforcement of all tax laws administered by the  
27 commissioner, the commissioner is also authorized by Minnesota  
28 Statutes, section 270.065, to use information on sales and use  
29 tax returns to administer laws relating to other taxes under the  
30 commissioner's jurisdiction. The commissioner may also use any  
31 information in the commissioner's possession relating to other  
32 taxes to administer the Sales and Use Tax Law.

33 Subp. 5a. **Contracts with private vendors.** The  
34 commissioner is authorized to contract with outside vendors for  
35 the processing of sales and use tax returns and the payment of  
36 sales and use taxes. Any private and nonpublic data disclosed

1 to a vendor will be administered by the vendor consistent with  
2 the secrecy provisions of Minnesota Statutes, chapter 270B. See  
3 Minnesota Statutes, section 270B.13.

4 Subp. 5b. **License clearance.** The commissioner is  
5 authorized to notify a licensing authority of the state or a  
6 political subdivision that issues, transfers, or renews a  
7 license for the conduct of a profession, occupation, trade, or  
8 business, that an applicant owes the state taxes, if the  
9 applicant taxpayer owes \$500 or more in delinquent taxes,  
10 penalties, or interest. See Minnesota Statutes, section 270B.07.

11 Subp. 5c. **Revocation of permits.** The commissioner is  
12 authorized to disclose information identifying the holder of a  
13 revoked permit and the basis for the revocation. See Minnesota  
14 Statutes, section 270B.08.

15 Subp. 5d. **Liquor posting.** The commissioner must submit to  
16 the commissioner of public safety, by the 15th of each month, a  
17 list of all liquor retailers who are required to withhold or  
18 collect tax imposed by Minnesota Statutes, section 290.92 or  
19 297A.02, and who are 30 days or more delinquent in either filing  
20 a tax return or paying the tax. See Minnesota Statutes,  
21 sections 270.73 and 270B.12, subdivision 4.

22 Subp. 5e. **Liquor license applications.** Any county or  
23 municipality may request the commissioner to certify whether an  
24 applicant for a license to be issued under Minnesota Statutes,  
25 section 340A.403 or sections 340A.404 to 340A.406, is liable for  
26 any state or local taxes or assessments that were not paid when  
27 they became due. See Minnesota Statutes, section 297A.431.

28 Subp. 6. **Motor vehicle excise tax.** The commissioner may  
29 furnish the Motor Vehicle Division, Department of Public Safety,  
30 all information necessary to administer the motor vehicle excise  
31 tax, Minnesota Statutes, chapter 297B.

32  
33 **REPEALER.** Minnesota Rules, parts 8130.2400; 8130.2700,  
34 subpart 4; 8130.2800; 8130.3000, subparts 9 and 10; 8130.3100,  
35 subparts 3 and 4; 8130.3300, subpart 2; 8130.4100; 8130.4200,  
36 subpart 2; 8130.7600, subparts 2, 3, and 4; 8130.7700, subpart

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- 1 2; 8130.8000, subparts 2, 3, and 5; 8130.8100, subpart 4;
- 2 8130.8200; and 8130.8300, subparts 3, 4, and 5, are repealed.