

MinnesotaCare Tax 2017 Pharmacy Refund

Information and instructions for filing your MinnesotaCare Pharmacy Refund Return (Minnesota Statutes Chapter 295)
For Minnesota pharmacies only

Information and Assistance

Website/e-Services
www.revenue.state.mn.us

Email
MinnesotaCare.tax@state.mn.us

Phone
651-282-5533
(Weekdays, 8 a.m.-4:30 p.m.)

Fax
651-556-5233

Business Registration
Email:
business.registration@state.mn.us
Phone:
651-282-5225 or 1-800-657-3605

Contents

What's New	1
Registering for a Minnesota Tax ID . . .	1
General Information	2
Who is Eligible	
Definition of Legend Drugs	
Filing Due Date	
Reporting Business Changes	
Recordkeeping	
Statute of Limitations	
How to File Your Annual Return	3
How to Amend Your Return	3
Managing Your Account Profile in e-Services	4

This information is available in alternate formats.

Your 2017 Pharmacy Refund Return is Due March 15, 2018

File your return electronically starting **January 22, 2018**.
Go to our website and log in to e-Services to file.

What's New

2017 Legislative Change

A law change was made during the 2017 legislative session that affects MinnesotaCare Pharmacy Refund Returns. Returns are due annually on March 15 for drugs delivered or shipped outside of Minnesota during the previous calendar year.

For legend drugs delivered outside of Minnesota after December 31, 2016, all refund claims filed more than one year after the due date of the return will be denied. For legend drugs delivered outside of Minnesota on or before December 31, 2016, claims must be filed within 18 months from the date the drugs were delivered, but no later than June 30, 2018.

Upgraded e-Services System

We upgraded our e-Services online system during the summer of 2017. You will notice a new look and feel to the system when you log in to your account. For instructions on filing a 2017 MinnesotaCare Pharmacy Refund Return in our upgraded system, please see the following steps. For general help using the system, you can also view the e-Services Help pages on our website.

Follow these steps to file a 2017 MinnesotaCare Pharmacy Refund Return:

1. Select your MinnesotaCare Pharmacy Refund account type on the customer level.
2. Select the **File Return** link for the **31-Dec-2017** period.
3. Complete the remaining steps as directed.

Sign Up to Receive Email Updates

Stay informed about MinnesotaCare taxes! Sign up to receive email updates about:

- filing and payment due date reminders
- new or updated publications
- educational tax seminars

To sign up, go to our website at www.revenue.state.mn.us and select the red envelope at the bottom of the home page. Enter your email address and select **MinnesotaCare Tax Updates** from the list.

Registering for a Minnesota Tax ID

Before You File, You Need a Minnesota Tax ID Number

Before you can file a MinnesotaCare Pharmacy Refund Return, you must have a Minnesota Tax ID Number, which is a seven-digit number assigned to you when you register with the department.

If you do not have a Minnesota Tax ID Number, you must apply for one. You can apply online at www.revenue.state.mn.us

or by contacting Business Registration (see *Information and Assistance* on this page).

Note: If your business currently has a Minnesota Tax ID Number for other Minnesota taxes, you can add a MinnesotaCare tax account to your number. To update your business information, go to our website and log in to e-Services or contact Business Registration.

General Information

Who Is Eligible

Minnesota pharmacies that purchase legend drugs from wholesale drug distributors that are subject to the MinnesotaCare Wholesale Drug Distributor Tax are eligible to receive a tax refund if they later deliver or ship the drugs to locations outside of Minnesota. The refund is equal to 2 percent of the amount paid to the wholesaler for the drugs.

To determine if a wholesaler is subject to tax, check your purchase invoice for a MinnesotaCare tax charge or contact the wholesaler for verification.

Definition of Legend Drugs

Legend drugs are drugs or gases that are classified by the FDA as a drug, not a device, and are required by federal law to be sold or dispensed in a container labeled with one of the following statements:

- “Caution: Federal law prohibits dispensing without prescription”
- “Rx only”

Blood, blood components, and blood derivatives.

Blood and blood components are not considered legend drugs under Minnesota law and cannot be used to claim the refund.

Blood derivatives, however, which are derived from blood, plasma, or serum through a chemical manufacturing process, are considered legend drugs and may be used to claim the refund.

Filing Due Date

Pharmacy Refund Returns are due annually on March 15 for drugs delivered or shipped outside of Minnesota during the previous calendar year.

Your 2017 Pharmacy Refund Return is due March 15, 2018.

The final deadline to claim the 2017 refund is March 15, 2019. Refund claims will not be allowed if they are filed more than one year after the original due date of the return.

Reporting Business Changes

Be sure to update your business information if you do any of the following:

- change the name, address, owner/officers, or ownership of your business
- make any other changes (such as email address, phone number, or contact person)
- need to add or delete a tax type
- close your business

To update, go to our website and log in to e-Services. For additional information, see *Managing Your Account Profile in e-Services* on page 5.

Recordkeeping

You should keep all internal accounting records and external third-party documentation that support the amounts reported on your Pharmacy Refund Return.

This includes any paper records and any records that you receive or store electronically. Some examples of paper and electronic records include:

- legend drug purchase invoices
- records verifying drugs delivered or shipped outside of Minnesota
- records verifying any drugs returned to the pharmacy after they were delivered or shipped outside of Minnesota

All documentation should be made available on request for the department to review. If you are audited, you will be asked to provide between 4 and 6 years of records. Refunds may be denied if your documentation is incomplete.

Statute of Limitations

The department may audit your return within 3½ years from the original due date of the return or the date you filed the return, whichever is later. There is no time limit if we find that you have fraudulently claimed a refund or reported false information.

How to File Your Annual Return

Your 2017 MinnesotaCare Pharmacy Refund Return is due March 15, 2018. File your return using our e-Services system starting January 22, 2018.

Information You Will Need to File Your Return

You must file your MinnesotaCare Pharmacy Refund Return electronically using our online e-Services system. Before you can file your return, you will need the following:

- your username and password
- total legend drug purchases made during the year
- total legend drug purchases delivered outside of Minnesota
- total returned legend drug purchases that were delivered outside of Minnesota

See the *Line-by-Line Instructions* on this page for help calculating the information above.

You must be registered for a MinnesotaCare Pharmacy Refund account in order to file a return. To register or update your business information, log in to e-Services or contact Business Registration (see page 1).

If you are registered for the refund, but the 2017 period is not listed in e-Services, please call the MinnesotaCare Tax Unit at 651-282-5533 so we can add it to your account.

To File Online

Go to our website at www.revenue.state.mn.us and log in to e-Services.

You will need Internet access with a browser that supports 128-bit encryption, such as Internet Explorer 8.0 to 11.0, Firefox 3.0 or higher, Google Chrome, or Safari 5.X.

Line-By-Line Instructions

Use this information when you electronically file your return.

Legend Drug Purchases

Enter the total amount you paid for legend drugs purchased from wholesalers subject to MinnesotaCare tax.

Do not include amounts paid for:

- drugs or devices that are not classified as legend drugs
- legend drug purchases on which you paid Legend Drug Use Tax

Legend Drug Purchases Delivered Outside of Minnesota

Of the legend drug purchases you reported, enter the amount paid for the drugs that you later delivered or shipped outside of Minnesota.

Legend Drugs Returned to You

Of the legend drug purchases delivered or shipped outside of Minnesota, enter the amount paid for any legend drugs that were returned to you.

Pharmacy Refund

Our e-Services system will calculate your Pharmacy Refund. The refund is 2 percent (0.02) of the amount you paid for qualifying legend drugs that were delivered outside of Minnesota and not returned to you.

How to Amend Your Return

To adjust your return, you must file an amended return electronically using our online e-Services system.

You must file your amended return within 3½ years from the original due date for the year you are amending.

Keep all supporting documentation for any amended return you file. The documentation must be made available to the department upon request. All amended returns are subject to audit.

Filing Instructions

To amend a return, go to our website at www.revenue.state.mn.us and log in to e-Services. Choose your Pharmacy Refund account and select the “View Return” link next to the period you want to amend. Then, select the “Change” link on the return screen and enter the corrected amount that should have been reported on your original return. You’ll also need to enter the reason you are amending your return.

You will receive a confirmation number if your return is filed successfully. Print the confirmation page for your records.

If you need help or have questions about amending a return, please contact us.

Paying a Balance Due

If you amend your Pharmacy Refund Return for less than the amount you claimed on your original return, you must pay the amount due plus interest. e-Services will calculate the interest for you.

Electronic Payment Requirement. You are required to pay electronically if your tax liability was more than \$10,000 for any one Minnesota business tax during the previous fiscal year (July 1 – June 30).

If you are required to pay any Minnesota business tax electronically for one year, you must pay all Minnesota business taxes electronically *for all future years*. We will send you a notice the first year you are required to pay electronically.

A 5 percent penalty will be assessed if you fail to pay electronically when required, even if a check payment is received on time.

Electronic Payment Options

e-Services

You can make your payment online using our e-Services system when filing your amended return. If you choose this option, you’ll be able to view a record of your payment online once the payment is processed. You will need your bank’s routing number and your account number. When paying electronically, you may not use an account associated with a foreign bank.

Credit or Debit Card

For a fee, you may charge your payment to your Visa, MasterCard, American Express, or Discover credit or debit card. To do so, have your card ready and go to www.payMNTax.com or call 1-855-947-2966.

ACH Credit

ACH credit payments are initiated by you through your bank. You authorize your bank to transfer funds to the state’s bank account. The bank must use ACH file formats, which are available on our website. Your bank may charge you a fee for these payments.

Bank Wire

You can authorize a direct transfer from your bank account to the Minnesota Department of Revenue. For information on how to make a bank wire transfer, call us at 651-556-3003 or 1-800-657-3909.

Managing Your Account Profile in e-Services

The “Manage my profile” link in e-Services allows you to:

- update your login information
- store your email address, phone number, and banking information
- create access to your and other people’s accounts
- add additional users with varying security, as well as request and approve third-party access

Set Up and Manage Users

There are two types of users in e-Services: e-Services Master and Account Manager. An e-Services Master can manage other users as well as view, file, and/or pay for specific account types. An Account Manager can view, file and/or pay for specific account types depending on the access that an e-Services Master has set up for the user.

e-Services has the following access level options:

- **All Access**—allows user total access to update the account, file, and pay
- **File**—allows user to view all information and file returns
- **Pay**—allows user to view all information and make payments
- **View**—allows user to only view all information

For instructions on how to create additional logons for users, see Help in e-Services.

Third-Party Access

Third-party access is for accountants and other non-employees who file returns and/or make payments on behalf of another business. In order to receive third-party access, the non-employee must request that access from the taxpayer. The taxpayer must then grant the access and manage the login of the non-employee before this request can become active.

Both parties must be active in e-Services for third-party access to be requested. For detailed instructions on how to request third-party access, go to our website.