

# Massages

Sales Tax Fact Sheet 162

**What's new in 2018**

We clarified when sellers are required to collect local sales taxes. See Local Sales and Use Taxes on page 2.

Massages are taxable. This fact sheet explains how sales and use tax applies to massages.

**What is a massage?**

Massage means any method of applying pressure, friction, rubbing, stroking, tapping, kneading or rolling of the external parts of the human body by manual, electrical, or mechanical means, with or without appliances and with or without lubricants such as salts, powders, liquids, creams or other similar preparation. Massage includes energy therapy if it involves manipulation of the body (*e.g.*, reiki and therapeutic touch).

Examples of taxable massage services include:

- acupressure
- myofascial release
- neuromuscular therapy
- ohashiatsu
- polarity therapy
- reflexology
- rolfing
- shiatsu
- sports massage
- trager

Services that are *not* taxable include:

- acupuncture
- athletic training
- chiropractic
- homeopathy
- osteopathy
- physical therapy
- podiatry
- the practice of medicine
- Massages provided by or through licensed health care facilities such as hospitals, medical clinics, or chiropractors' offices for ongoing treatment of illness, injury, or disease.

- Massages provided by licensed health care professionals, including Registered Nurses (RNs) and Licensed Practical Nurses (LPNs), for ongoing treatment of illness, injury, or disease.
- Massages provided to customers who provide a written referral from a licensed health care facility or professional indicating the massage is for ongoing treatment of illness, injury, or disease. Keep copies of referrals in your records as proof of exemption in case of an audit.
- Services provided by cosmetologists or estheticians required to be licensed, and barbers required to be registered, if they do not give, or hold themselves out to give massages other than massages that are incidental to their general occupations, where no separate compensation is received for giving massages.

**Note:** Massage therapy provided by licensed or registered health care providers is subject to the MinnesotaCare tax or the sales tax. A massage therapist who is also a licensed or registered health professional is required to collect the sales tax unless the massage is for the treatment of an illness, injury, or disease. If the massage is for treatment of an illness, injury, or disease, it is subject to the MinnesotaCare tax.

For more information, see Revenue Notice 07-06: MinnesotaCare Tax and Sales Tax – Patient Services – Massage Therapy.

**Exempt purchases**

Purchases of materials that are used or consumed directly in providing *taxable* massage services are exempt from sales and use tax. This includes materials such as oils, lotions, rolls of paper to cover massage tables, and disposable towels.

This exemption applies only to businesses providing taxable massage services. It does not extend to individuals buying these materials for their own use or to those providing nontaxable services.

To purchase items that are used or consumed directly in providing these taxable services exempt from tax, give the

seller a completed Form ST3, *Certificate of Exemption*. Use Exemption Code Other, and write in “Materials used to provide taxable services.”

**Note:** If you buy materials exempt from tax but use them to provide non-taxable services, you must pay use tax on those materials. See *Use tax* on page two.

## Taxable purchases

The exemption described in the last section does not apply to equipment, implements, tools, accessories, appliances, furniture and fixtures. It also does not apply to utilities used for space heating or lighting or to other taxable services. Purchases of materials used for general business or administrative purposes are also taxable.

The following are examples of taxable purchases:

- administrative supplies
- audio and video tapes
- building cleaning and maintenance services
- cleaning supplies
- cloth towels (reusable)
- furniture and fixtures
- lawn care services
- linen supply or other laundry services
- tools, accessories or appliances

Pay sales tax to the seller when you buy these items or, if the seller doesn't charge sales tax, report use tax on your cost of the items when you electronically file your sales and use tax return. See the *Use tax* section in the next column.

## Sales to customers

**Sales of products**, such as oils and lotions, are taxable. When you buy these products to resell to your customers, give the seller a completed Form ST3, *Certificate of Exemption*. Specify the Resale exemption.

Herbs and other compounds may be sold to treat specific conditions. Herbs, vitamins, minerals, medicines, and items labeled “Supplement Facts” are taxable whether sold in liquid, capsule, tablet or powdered form unless prescribed by a licensed physician.

If you sell or lease **equipment** or other items used in your business, the sale may be subject to sales tax. For more information, see Fact Sheet 132, *Isolated and Occasional Sales*.

**Donated massage therapy** is not taxable. The donor must pay sales or use tax on any taxable items used in providing these services.

**Coupons** reduce the taxable price of massages. If a customer uses a coupon, or some other discount is allowed, subtract the coupon or discount first, then figure sales tax on the remaining amount.

## Use tax

Sales tax is generally charged by the seller at the time of sale. However, if the seller does not charge Minnesota sales tax on equipment, taxable supplies, or other taxable items you purchase, you must pay **use tax**. Use tax is due on your cost of the item. Report state and local use tax when you electronically file your sales and use tax return. For more information, see Fact Sheet 146, *Use Tax for Businesses*.

You must pay use tax when you:

- Buy equipment or taxable supplies directly or by mail, internet, or phone order from any seller for use in Minnesota when sales tax is not charged by the seller.
- Buy equipment or taxable supplies in another state for use in Minnesota and pay tax at a rate lower than the Minnesota rate. Credit is allowed for tax paid to the other state.
- Buy items exempt for use in a taxable service, but take the items out of inventory for other business or personal use.
- Buy items for use in an area with a local use tax but only Minnesota state tax was paid.
- Had taxable services performed in Minnesota (such as laundry or linen service, building cleaning, lawn and garden, or security services) but were not charged sales tax.

## Local Sales and Use Tax

If you are located in or make sales into an area with a local tax, you may owe local sales or use tax. For more information, see Fact Sheet 164, *Local Sales and Use Taxes*.

### Legal References

Minnesota Statute 155A, Cosmetology  
Minnesota Statute 154, Barbers  
Minnesota Statute 297A.61, subd. 3 (g) (6) (vii)  
Minnesota Statute 297A.68, subd. 3, Materials used in providing taxable services

### Revenue Notices

94-11, Massage Therapists  
00-03, Exemptions: Materials Used or Consumed in Providing Taxable Services  
02-08, Massage Services  
07-06, MinnesotaCare Tax and Sales Tax – Patient Services – Massage Therapy

### Other Fact Sheets

132, *Isolated and Occasional Sales*  
142, *Sales to Government*  
146, *Use Tax for Businesses*  
164, *Local Sales and Use Taxes*