

This Revenue Notice was revoked on December 19, 2016 by publication of Revenue Notice # 16-08 (41 SR 782-783).

Technical corrections were made to this notice on December 2, 2002 by Revenue Notice # 02-20. Please see Revenue Notice # 02-20 for the corrected language.

DEPARTMENT OF REVENUE

Revenue Notice # 00-02: Sales and Use Tax – Parking Services

Minnesota Statutes, section 297A.01, subdivision 3(h), provides that furnishing for a consideration of parking services, whether on a contractual, hourly, or other periodic basis, except for parking at a meter, is subject to Minnesota sales and use tax.

For purposes of administering this provision the department uses the following definitions:

- **Parking services** means charges for parking motor vehicles registered for road use in parking lots, parking ramps, buildings, or other places where motor vehicle parking is offered. Parking service does not include rental of storage units (commonly referred to as mini-storage) which can be used to store household goods, business supplies, etc., even though they may incidentally be used to store vehicles.
- **Parking meter** means a device that accepts money, tokens, credit cards, or any other form of payment and registers the amount of time purchased for parking a motor vehicle in a specific parking spot.

Parking Contracts: The department previously stated that contracts for leasing parking lots or parking spaces for businesses to provide free parking to their employees or customers were exempt.

Upon further review of the statutory language, the department has modified its position. Parking services sold to businesses to provide free parking to employees or customers are taxable. If the business charges customers or employees for the parking services the business may continue to purchase parking services exempt from sales tax by providing the parking service provider with a resale exemption certificate. Charges to customers or employees for parking services are taxable.

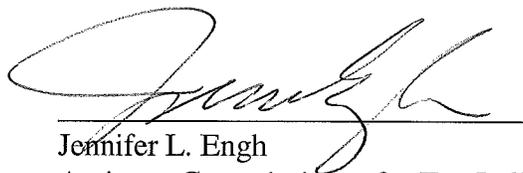
A transitional period will be allowed for certain written contracts entered into prior to the date of this revenue notice. For written contracts where no sales tax was originally charged to a business to provide free parking to employees or customers, sales or use tax applies to payments made after March 31, 2000.

Validated Parking: Businesses sometimes validate parking, allowing their customer to park free or pay a reduced rate, under an agreement where the business is required to reimburse the parking service provider for the difference between what is actually charged to the customer and the total charge for parking. The parking service provider must collect and remit sales tax on the total charge for providing parking

services. This includes any charge to the customer for parking and also on the amount paid by the business for parking services.

Dated: _____

January 19, 2000



Jennifer L. Engh

Assistant Commissioner for Tax Policy

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