

This Revenue Notice was revoked on December 19, 2016 by publication of Revenue Notice # 16-08 (41 SR 782-783).

Department of Revenue

Revenue Notice # 03-13: Sales and Use Tax – Services – Nonresidential Parking

Background

During the 2003 legislative session, the legislature amended *Minnesota Statutes*, section 297A.61, subdivision 3(g)(3), to clarify that the sales tax on parking services only applies to nonresidential parking services.

Department Position

Under *Minnesota Statutes*, chapter 297A, the sales tax applies to the sale and purchase of parking services but does not apply to the sale or purchase of residential parking services. In Revenue Notice # 00-02, the department set forth its position as to what activities constitute parking services.

Residential parking services are parking services provided to the occupants of a residence who park on the same premises that constitutes their primary residence. For purposes of this Revenue Notice, “same premises” means an area within the residence, an area adjacent to the residence, or any area owned or leased by the landlord, condominium association, or cooperative for the purpose of providing parking for its residents. For purposes of this Revenue Notice, “residence” means a single family home, a duplex, a condominium unit, a cooperative unit, a townhouse unit, a school dormitory, an apartment or a mobile home used by a person or persons as a place of primary residence or abode. For purposes of this Revenue Notice, “primary residence” does not include a hotel, a motel, a summer camp, a resort lodge or other dwellings when lodging of a temporary or transient nature, that would be subject to the sales tax under *Minnesota Statutes*, chapter 297A, is provided.

Parking services provided in a lease or in a separate writing between landlord and tenant, a condominium association and the owner of the unit, or between a cooperative and one of its members are nontaxable residential parking.

Parking services paid to a homeowners’ association are not subject to sales tax provided that the parking facility is owned or leased and operated by the association; the association is comprised solely of owners or residents of the residential dwelling units; and the parking charges are paid by the members to the association.

For parking facilities that provide both residential and nonresidential parking services, the operator or parking vendor must keep a record of the sale including the name of the resident, the residential address of the resident, and the amount of the sale in order to substantiate that the sale is for residential parking purposes.

Dated: October 7, 2003



Raymond R. Krause, Assistant Commissioner

Publication Date: OCT 20 2003