

This notice was revoked on July 21, 2008 by Reenue Notice # 08-07.

Department of Revenue

Revenue Notice # 04-05: Sales and Use Tax – Lawn Care – Revocation of Revenue Notices # 91-02, # 94-04, and # 02-18

The application of sales and use tax to lawn, garden, and arborist services is governed by Minnesota Statutes, section 297A.61, subdivisions 3(g)(6)(vi) and 4(f). Under Minnesota Statutes, section 297A.67, subdivision 25, lawn care services used in the maintenance of cemetery grounds are exempt.

Lawn Care

Under Minnesota Statutes, section 297A.61, subdivision 3(g)(6)(vi), lawn care services are subject to tax. For purposes of this provision the following definitions apply:

“Lawn” is a tended area of ground covered with grass or other ground cover, and can include, for example, yards, parks and golf courses. However, ditches and medians along roads, freeways, and railroad right-of-ways are not considered lawns.

"Lawn care service" means any business service related to the maintenance of lawns. Lawn care services include services such as: mowing; raking; trimming; watering; fertilizing; killing weeds, insects, rodents, pests, or fungi; spraying; sprigging; and diagnosing the condition of lawns by physical examination of the lawn or of other physical evidence.

Improvement of Real Property

Under Minnesota Statutes, section 297.61, subdivisions 3(g)(6)(vi) and 4(f), the installation of shrubbery, plants, sod, trees, bushes, and similar items is not taxable because it is considered an improvement to real property. In these situations, the contractor must pay sales or use tax on the cost of all plants, trees, bushes, shrubs, sod, and other materials, supplies, and equipment used to complete the contract.

Tree, bush, shrub, and stump removal services remain subject to sales and use tax when they are sold to a contractor and used by the contractor to complete a construction contract involving the new construction, reconstruction, or remodeling of a building or residence.

Examples of Taxable Services

- Garden tilling and soil preparation;
- Killing lawn or garden weeds, insects, rodents, or fungi;
- Aerating;
- Initial seeding of garden flowers and vegetables;
- Dethatching;
- Stump grinding for home or business;
- Picking up pet droppings;
- Reseeding lawns.

Examples of Non-Taxable Services

- Moving trees or shrubs from one location to another location;
- Cleaning of an outdoor pond;
- Snow shoveling or plowing;
- Applying ice-melt or sand to driveways, sidewalks, or parking lots;
- Planting flower or vegetable plants;
- Initial seeding of lawns.

The following Revenue Notices are hereby revoked:

Revenue Notice # [91-02](#): Sales & Use Tax – Application of Sales and Use Tax to Lawn, Garden, and Arborist Services and Landscaping Contracts.

Revenue Notice # [94-04](#): Sales and Use Tax – Lawn Care Issues.

Revenue Notice # [02-18](#): Sales and Use Tax-Tree, Bush, Shrub and Stump Removal.

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Publication Date: May 24, 2004