

Department of Revenue

Revenue Notice # 15-02: Sales and Use Tax – Care Services for Animals and Pet Grooming – Revocation and Replacement of Revenue Notice # 98-26

Introduction

This Revenue Notice revokes and replaces Revenue Notice # 98-26, as originally published December 14, 1998, which revoked and superseded Revenue Notice # 92-04.

This Revenue Notice explains the term “care services for animals” as used in *Minnesota Statutes*, section 297A.61, subdivision 3(g)(6)(viii), and describes the sales tax treatment of boarding, grooming, and lawn services related to animals and pets.

Department Position

Care Services for Animals

Minnesota Statutes, section 297A.61, subdivision 3(g)(6)(viii), imposes sales and use taxes on fees for lodging, board, and care services for animals in kennels and other similar arrangements. “Care services for animals” includes services that assist owners with non-medical services and non-educational services to maintain the wellbeing of a pet.

The following are examples of taxable care services for animals:

- Caring for an animal at a care provider’s home;
- Caring for an animal at the animal owner’s home;
- Caring for an animal at a care provider’s place of business, including animal daycare services;
- Caring for an animal by a veterinarian not done in conjunction with veterinary procedures or observation or for veterinary reasons;
- Walking or exercising an animal;
- Providing entertainment for animals;
- Administering drugs or medicines to animals (other than by a licensed veterinarian);
- Transporting animals in conjunction with providing any taxable services; and
- Impound services for animal control.

The following are examples of nontaxable care services for animals:

- Separately stated training services such as obedience, tracking, or protection training services;
- Caring for an animal by a veterinarian done in conjunction with veterinary procedures or observation for veterinary reasons; and
- Separately stated transportation services to pick up or deliver animals to a veterinarian or for other nontaxable reasons.

Care provided by persons who are not in the business of providing animal care services, such as occasionally caring for a neighbor's pet, are not taxable because they are isolated and occasional sales not made in the normal course of business.

Boarding Horses and Boarding by Veterinarians

Boarding services for horses are not taxable.

Boarding services for other animals are not taxable if the services are provided in conjunction with veterinary procedures or observation for veterinary reasons. Veterinarians must follow *Minnesota Rules*, part 8130.8700, for paying tax on purchases and collecting sales tax on sales.

Pet Grooming

Pet grooming services are subject to sales tax under *Minnesota Statutes*, section 297A.61, subdivision 3(g)(6)(v). Pet grooming services include shampooing, clipping, currying, trimming, nail cutting. The definition of pets, as it applies to grooming services includes: dogs, cats, and other animals that are tame and are kept for affection and pleasure, rather than for utility or profit.

For purpose of pet grooming services, the following animals are not pets: guide, hearing, service and seizure dogs for persons with disabilities, and all horses. Accordingly, grooming services for these animals are not taxable.

Pet grooming services performed by veterinarians for veterinary care purposes are not taxable.

Lawn Services Related to Animals

Animal dropping removal services are taxable as lawn care services under *Minnesota Statutes*, section 297A.61, subdivision 3(g)(6)(vi).

Revenue Notice # 98-26 is revoked.

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Ryan Church, Deputy Commissioner