

**This Revenue Notice was revoked on April 16, 2007 by Revenue Notice # 07-04.**

## **Minnesota revenue notice**

### **Revenue Notice # 91-05 Isolated or Occasional Sale of Services**

**Facts:** Minnesota sales and use tax law imposes sales tax on charges for furnishing certain specific services. These services are sometimes performed by individuals who are not regularly engaged in the business of performing or providing such services. Minnesota Statutes § 297A.25, subd. 12, provides an exemption from sales tax for isolated or occasional sales of tangible personal property not made in the normal course of business of selling that kind of property.

**Issue:** When is a taxable service exempt from sales tax as an isolated or occasional sale?

**Conclusion:** The Department of Revenue has taken the position that there can be isolated or occasional sales of services when the individual providing the service is not regularly engaged in the business of providing that service. An individual is considered to be in the business of providing services if they engage in activities such as soliciting sales, advertising, and entering into written contracts to provide services.

For example: A person mows the grass or takes care of a pet for a next door neighbor for pay. Unless the person is employed by a business to perform this service or has established their own business, the charge will qualify as an isolated or occasional service, and will be exempt from tax.

Michael E. Boekhaus  
Director, Appeals and Legal Services

Dated: July 29, 1991

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