

Minnesota revenue notice

Revenue Notice # 92-18 Sales and Use Tax - Park and Travel Trailers

Revenue Notice #92-18 has been repealed by Revenue Notice #03-04.)

Sales and Purchases of Park and Travel Trailers, Generally.

Applicability of sales tax: If a park or travel trailer is taxable under the provisions of the motor vehicle excise tax laws of Minnesota, it is exempt from sales and use tax. (Minn. Stat. § 297A.25, subd. 34.) If a park or travel trailer is not subject to the motor vehicle excise tax, it will be subject to sales and use tax.

Imposition of sales tax: Sales or use tax is due on the sales price of the trailer unless the trailer meets the definition of manufactured home found in Minn. Stat. § 327.31, subd. 6. If it is determined to be a manufactured home, sales or use tax will be imposed upon 65 percent of the sales price of the trailer.

Example: You purchase a park trailer and do not register it as a motor vehicle or move it on the highways. Instead, you park the trailer in a campground and use it for recreational purposes. This is a sale or purchase of tangible personal property. Since no motor vehicle excise tax was paid, sales or use tax is due on the total price.

Special Situations:

1. Park and travel trailers used to provide lodging services.

Facts: Sometimes park and travel trailers are purchased for use in providing lodging services. For example, you purchase a trailer, park it in a campground, and charge people to stay in the trailer.

Sales/use tax treatment: If you did not pay motor vehicle excise tax, sales tax is due on the purchase price of the trailer. Sales tax is also due on the amount you charge to persons who stay in the trailer since you are providing lodging services which are taxable under Minn. Stat. § 297A.01, subd. 3(e). Note that there is an exception where the charge for lodging is for a continuous period of 30 days or more. Then, the charge for trailer lodging would be exempt if the requirements of Minn. Rule, part 8130.1000, subp. 2 are satisfied.

2. Park and travel trailers leased to the public.

Facts: You purchase a trailer to lease to the public. The person who rents the trailer can take it where they want and is not required to stay in the trailer camp where it is parked.

Sales/use tax treatment: This is not considered a sale of lodging. It is a lease of tangible personal property. In this situation, you can purchase the trailer exempt for resale. You must charge sales tax on the lease price.

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Director, Appeals and Legal Services

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