

This Notice was revoked on December 14, 1998 by Revenue Notice # 98-23.

Minnesota revenue notice

Revenue Notice # 92-19 Sales and Use Tax - Application of Tax to Copies

Sales of copies are taxable under Minnesota sales and use tax law. (Minn. Stat. § 297A.01, subd. 3). The application of sales and use tax to copies was covered generally in Revenue Notice #92-5. Since the publication of Revenue Notice #92-5, additional questions have been raised on this subject. This revenue notice will cover these additional areas of concern not previously addressed.

1. Sales of Copies by Governmental Units

General Rule: Sales of copies by governmental units are taxable under Minnesota sales and use tax law. (Minn. Stat. § 297A.25, subd. 31).

Exception: If a law or ordinance requires a governmental agency to furnish copies of documents held in its files, the furnishing of these copies is a governmental act or service and not a taxable retail sale. (Minn. Rule, part 8130.9300, subp. 2).

Question: Are copies of documents that are furnished under the Freedom of Information Act or Data Practices Act copies that are required to be furnished by law?

Department Position: Yes. The department has determined that copies of documents that are furnished under the Freedom of Information or Data Practices Acts are copies that are required to be furnished by law. Therefore, they are exempt from sales and use tax.

2. Copies of Credit Reports Provided by Credit Bureaus

Situation 1

Facts: A credit bureau compiles and maintains credit information on individuals in a data base. When credit reports on an individual are requested, the credit bureau will extract the necessary information from their data base and make a hard copy to send to the requestor.

Question: Does the credit bureau have to charge sales tax on this credit report?

Department Position: No. This is considered a service. The copy provided by the credit bureau is considered incidental to the furnishing of this service and is not subject to sales or use tax. The credit bureau must, however, pay sales or use tax on all materials and supplies used in providing this service.

Situation 2

Facts: Same facts as situation 1, but the credit bureau makes three extra copies from the original hard copy, and charges the requestor for these additional copies.

Question 2: Are these additional copies taxable?

Department Position: Yes. The providing of the original copy is still considered a service and is not subject to sales and use tax. The sale of the additional copies is a sale of tangible personal property. Sales tax must be charged on the sales price of these copies.

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Director, Appeals and Legal Services

Dated : September 21, 1992

JMT