

## Minnesota revenue notice

### Revenue Notice # 94-23 Sales and Use Tax - Residential Electricity

**General Rule:** The sale of either natural gas or electricity sold for residential use to customers who are metered and billed as residential users and who use the natural gas or electricity for their primary source of residential heat for the billing months of November, December, January, February, March, and April is exempt from Minnesota sales and use tax.

In order to administer this exemption the department has taken the position that when gas or electricity is exempt as residential heating fuel, then all other gas or electricity used through the same meter is also exempt during the six-month heating season.

**Issue:** What portion of residential heating fuel is exempt if the customer has one overall meter that measures total fuel usage along with a second meter that measures the portion of the total fuel that goes to the furnace?

**Department Position:** The meters are considered separate meters and only the portion of the fuel that is used by the furnace is exempt.

Patricia A. Lien

Assistant Commissioner for Tax Policy

Dated : October 10, 1994

JMT