

This Revenue Notice was revoked on November 16, 1998 by Revenue Notice # 98-22.

Minnesota revenue notice, number 96-18

Sales and Use Tax: Ready Mix Transportation Charges

Minnesota Statutes 297A.01, Subdivision 8 defines "sales price" and allows a deduction from the sales price for transportation charges that occur after the retail sale of the property provided the charges are separately stated.

Issue

There have been widespread variations in calculating the amount to be charged as transportation or delivery charges for ready mix concrete.

Department position

The department takes the position that 22 percent of the total sales price for ready mix can be deducted as delivery charge. To be exempt from sales tax, the delivery charge must be stated separately from the cost of the ready mix on the invoice to the customer. If the charge is not separately stated, the entire charge to the customer for ready mix is taxable. If a delivery charge higher than the standard 22 percent is used, the vendor must be able to document how the higher cost was arrived at.

Dated: November 25, 1996

Don Trimble
Assistant Commissioner for Business, Excise and Consumption Taxes