

This notice was corrected on December 2, 2002 by Revenue Notice # 02-20 and on April 16, 2007 by Revenue Notice # 07-05. Please see those notices for the corrected language.

Minnesota revenue notice number 98-07

Sales and Use Tax - Permit Revocation

Minnesota Statutes, § 297A.07, provides that where any person fails to comply with the provisions of Minnesota law related to sales and use tax, the commissioner of revenue may revoke that person's sales and use tax permit. Before a permit is revoked, the commissioner must give the taxpayer 30 days written notice and an opportunity to contest the revocation before an administrative law judge.

Issue

Where a taxpayer has committed repeated violations of the sales and use tax laws and the department has already warned the taxpayer of permit revocation on previous occasions, will filing of the delinquent returns and payment of the delinquent taxes stop the revocation of the permit?

Department position

The commissioner has the authority to revoke permits for violations of the sales and use tax laws. Where a taxpayer has committed repeated violations of those laws and the taxpayer was previously warned of permit revocation, simply satisfying the current delinquencies will not be sufficient to stop the revocation.

Consequently, if a taxpayer is sent a *Notice of Intent to Revoke Sales and Use Tax Permit*, the taxpayer's satisfaction of the current delinquencies within the 30-day notice period will not be sufficient to stop the revocation process when the following has occurred:

- The taxpayer failed to timely file or pay the tax on three or more sales and use tax returns within a two-year period; and
- The department previously sent the taxpayer two or more *Notice(s) of Intent to Revoke Sales and Use Tax Permit* within a two year period

In such cases, the taxpayer retains the right to contest the commissioner's action before an administrative law judge.

Dated: 26 May 1998

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