

**News Release**

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Minneapolis Copier Business Owner Charged With Evading Sales Tax

St. Paul – The Minnesota Department of Revenue announced today the Hennepin County Attorney’s Office recently charged Rafael Eduardo Machado, 47, of St. Michael, with seven felony sales tax violations.

Machado, who operated a Minneapolis copier sales, leasing and repair company called JR Copier Specialists, Inc., has been charged with three counts of failing to file his sales tax return, three counts of failing to pay his sales tax, and one count of engaging in the business of making retail sales after his sales tax permit was revoked. The charges cover the 2008 through 2010 tax years.

According to the criminal complaint, Machado hasn’t had a sales tax permit since 2002, when the department revoked it. The complaint said Machado contacted the department to discuss his revocation and failure to file tax returns, but never took steps to reinstate his permit.

Machado resumed operations as JR Copier Specialists, Inc., and began operating again in 2008 without a sales tax permit. When he finally did file sales tax returns and pay sales tax, after being notified in 2010 that the department was investigating him, he underpaid the sales tax, even according to his own records, the complaint stated. For example, he paid \$9,000 in sales tax for 2008 and 2009, though his sales tax returns showed he owed \$16,522. Still, the complaint said, he charged sales tax on most taxable transactions. According to the department, Machado failed to file tax returns and pay \$31,473 in sales tax. Today, he still owes the state \$22,473. That’s not counting interest and penalties.

Each of the criminal counts against Machado is punishable by up to five years in prison and a 10,000 fine.

The Minnesota Department of Revenue has a 24-hour tip line for anyone who suspects an individual or business is violating tax laws, at (651) 297-5195, or 1-800-657-3500 (TTY users call 711 for Minnesota Relay). Tipsters may remain anonymous and can also email us at

tax.fraud@state.mn.us. Last year, citizen tips totaled 75 percent of the department's criminal case referrals.

While most taxpayers comply with tax laws voluntarily, the Minnesota Department of Revenue takes progressive enforcement action against non-compliant taxpayers ensuring tax laws are fairly administered, collecting no more and no less than taxpayers owe.

Learn how the Minnesota Department of Revenue is working to stop tax evasion on recreational vehicles [here](#).

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