



News Release

CONTACT Ryan Brown
PHONE 651-556-6397
EMAIL ryan.brown@state.mn.us

FOR IMMEDIATE RELEASE:

May 4, 2018

Contact: Ryan Brown

ryan.brown@state.mn.us

Little Canada man charged with multiple tax crimes

ST. PAUL, Minn. – The Minnesota Department of Revenue announced that the Ramsey County Attorney’s Office recently charged Robert John Tester with 14 tax-related felonies. Mr. Tester, of Little Canada, is charged with five counts of failing to file an income tax return, five counts of failing to pay income taxes, and four counts of failing to pay sales tax.

According to the complaint, Mr. Tester was charging sales tax to the customers of his carpet removal and installation business, Carpets-Installed.com, and not remitting the tax to the state. Because carpet installation is not a taxable service in Minnesota, the law requires that any collected sales tax be paid to the state or refunded to customers. Minnesota sales tax is a “trust tax.” Customers pay sales tax with the expectation that businesses will send it to the state on their behalf. The department completed an audit of Mr. Tester’s business in 2013 and personally assessed him for more than \$107,000 in sales tax that he collected and failed to remit or refund from January 2009 through December 2012. According to the complaint, Mr. Tester continued to keep the sales tax that he charged and collected from his customers until March 2016, when his sales tax permit for other taxable goods and services was revoked. The department estimates that Mr. Tester owes more than \$14,800 in sales tax, penalties, and interest for the period starting in 2013 through 2016.

The complaint further alleges that Mr. Tester did not file individual income tax returns or pay income tax from 2012 through 2016, despite admitting that he knew he was required to file and pay income taxes. After the sales tax audit of his business in 2013, the complaint states that Mr. Tester attempted to hide his income by depositing customers’ checks into the bank accounts of people close to him. Mr. Tester allegedly owes more than \$63,780 in income tax, penalties, and interest.

Each tax-related felony charge carries a maximum penalty of five years in prison, a \$10,000 fine, or both. Defendants are presumed innocent unless and until proven guilty.

 News Release

CONTACT	Ryan Brown
PHONE	651-556-6397
EMAIL	ryan.brown@state.mn.us

Although most taxpayers comply with tax laws voluntarily, the department takes enforcement action against noncompliant taxpayers to ensure that tax laws are administered fairly.

Many of the department's criminal case referrals come from public tips. There is a 24-hour tip line for anyone who suspects that a person or business is violating Minnesota tax laws. Local callers may dial 651-297-5195 or call toll-free by dialing 1-800-657-3500. Tips can also be submitted to the department by email at tax.fraud@state.mn.us. Tipsters may choose to remain anonymous.

Get the latest news and updates from the Minnesota Department of Revenue by following the department on [Facebook](#) and [Twitter](#) or by signing up for our [email subscription list](#).

###