



News Release

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Burnsville restaurant and restaurant owners charged with multiple tax crimes

ST. PAUL, Minn. – The Minnesota Department of Revenue announced that the Dakota County Attorney’s Office recently charged Kehui Yang and Qiuyun Huang, both of Eagan, each with four counts of filing fraudulent sales tax returns and four counts of failure to pay sales tax. Shogun Burnsville Inc. is charged with four counts of aiding in the filing of false tax returns and four counts of failure to pay sales tax.

According to the complaint, Yang and Huang owned and operated the restaurant Shogun Burnsville, Inc. The complaint alleges that they intentionally used sales suppression software on their Point of Sale system to remove thousands of line items from sales receipts in order to underreport their monthly sales and underpay sales tax from March 2014 through June 2017. Through their actions, the defendants allegedly deprived the state of nearly \$43,000 in sales tax revenue.

“The use of sales suppression software harms all businesses that report and pay their fair share of taxes,” said Revenue Commissioner Cynthia Bauerly. “These charges represent the department’s growing ability to recognize when these illegal products are being used and hold those who you use them accountable.”

“Violation of our state’s tax laws harms all Minnesotans. We are grateful for the work of investigators for the Minnesota Department of Revenue in this case,” commented Dakota County Attorney James Backstrom.

Automated sales suppression devices and software, sometimes known as ‘zappers’, delete parts of cash transactions after the fact, creating a second set of books that allows a business to report smaller sales and illegally keep some of the tax that the customer paid. Minnesota’s sales tax is a “trust tax” – customers pay the tax at the time of the sale with the expectation that businesses will remit it to the government on their behalf. The use of zappers violates that trust; it deprives the state, local governments, and citizens of tax revenue and it creates an

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unfair advantage over businesses that send all of the sales taxes they collect to the government.

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.

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 citizen 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.

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