

**This notice was revoked and replaced on April 30, 2007 by Revenue Notice # 07-06.**

## **Minnesota revenue notice**

### **Revenue Notice # 94-11 MinnesotaCare/Sales tax - Massage Therapists**

**MinnesotaCare tax:** Patient services that are provided by a health care provider are subject to MinnesotaCare tax. Patient services are defined in Minn. Stat. § 295.50 subd. 9b to include '... other diagnostic or therapeutic items or services...' provided to a patient or consumer. A health care provider is defined in Minn. Stat. § 295.50 subd. 4 to include a person furnishing diagnostic or therapeutic services to a patient or consumer. Under this definition, a health care provider is a person whose health care occupation is licensed or registered, a person who is eligible for reimbursement under the medical assistance program, or an entity that employs such a person. All patient services provided by such an entity are taxable.

Massage therapy qualifies as therapeutic service and is subject to the MinnesotaCare tax if provided by a licensed or registered health care provider.

**Sales Tax:** Under Minnesota Stat. § 297A.01 subd. 3(j)(viii), massage services are subject to sales tax unless they are provided for treatment of illness, injury or disease by or upon written referral of a licensed health care facility or professional. A licensed health care provider who provides only massage services for treatment of illness, injury or disease is not required to obtain a sales tax permit; licensed providers who administer massage for other reasons are required to obtain a sales tax permit.

Unlicensed massage therapists are subject to sales tax unless the massage is provided for the treatment of illness, injury or disease upon a written referral by a licensed health care facility or professional.

#### **Examples:**

- An unlicensed and unregistered massage therapist who is self-employed and working without written referral from a physician, pays sales tax;
- An unlicensed and unregistered massage therapist who is employed by a chiropractor pays the MinnesotaCare tax (the employer is responsible for the tax);
- A licensed nurse who provides massage therapy that is related to an illness, injury, or disease, pays the MinnesotaCare tax; massage therapy that is provided for any other reason, is subject to both the MinnesotaCare and the sales tax;
- An unlicensed and unregistered massage therapist who is self-employed and working upon a written referral from a physician to provide treatment of illness, injury or disease, does not pay the sales tax nor the MinnesotaCare tax.

Patricia A. Lien  
Assistant Commissioner for Tax Policy

Dated : June 20, 1994

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