

# MINNESOTA REVENUE

## SALES TAX

### Printed Material – Certain Delivery Charges

February 14, 2002

	Yes	No
Separate Official Fiscal Note Requested		X
<b>Fiscal Impact</b>		
DOR Administrative Costs/Savings		X

Department of Revenue  
Analysis of S.F. 2914 (Rest) / H.F. 3285 (Abrams)

	<u>Revenue Gain or (Loss)</u>			
	<u>F.Y. 2002</u>	<u>F.Y. 2003</u>	<u>F.Y. 2004</u>	<u>F.Y. 2005</u>
General Fund	No impact	(000's)	No impact	No impact

Effective retroactive to January 1, 2002.

## EXPLANATION OF THE BILL

**Current Law:** Effective January 1, 2002, a seller's charges for delivery are included in the definition of the taxable sales price. Previously, delivery charges were exempt if the delivery occurred after the sale and the charges were separately stated.

**Proposed Law:** The bill creates an exemption for delivery or distribution charges of printed materials. The exemption would apply under three conditions: 1) the charges are separately stated; 2) the delivery or distribution is to a mass audience or to a mailing list provided by a customer; and 3) the cost of the (printed) materials is not billed directly to the recipients.

## REVENUE ANALYSIS DETAIL

Enactment of this bill would have no impact because these specific circumstances were not contemplated when the revenue estimate was made of the 2001 legislation.

## ADMINISTRATIVE/OPERATIONAL IMPACT

There will be no significant administrative or operational costs or savings to DOR in administration of this bill.

Source: Minnesota Department of Revenue  
Tax Research Division  
<http://www.taxes.state.mn.us/polic.html#analyses>