

Department of Revenue

Revenue Notice # 14-01: Sales and Use Tax – Charitable Organization Exemption – Exempt Status Revocation After Adverse Property Tax Exemption Determination.

Revenue Notice #07-12 provides that if a nonprofit organization fails to qualify as an exempt charitable organization for property tax purposes it also does not qualify as an exempt charitable organization for sales tax purposes.

This position was premised on the fact that the property tax statute, *Minnesota Statutes*, section 272.02, subdivision 7, and the sales and use tax statute, *Minnesota Statutes*, section 297A.70, subdivision 4, had been construed by the Minnesota Supreme Court to be substantially similar beginning in *Mayo Foundation v. Commissioner of Revenue*, 306 Minn. 25, 236 N.W.2d. 767 (1975) and *North Star Research Institute v. County of Hennepin*, 306 Minn. 1, 236 N.W.2d 754 (1975).

Due to law changes made to property tax exemption statutes in 2009, these statutes are no longer substantially similar. Thus, the position stated in Revenue Notice #07-12 is no longer accurate.

Effective Date: The revocation of this revenue notice is effective retroactively to taxes payable in 2010 which was the effective date of the law change in 2009. 2009 Laws, ch. 88, art. 2, sec. 4.

Publication Date: _____

JUL 28 2014



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