

## Marshall 0.5% Sales and Use Tax

This notice does not apply to the Marshall 1.5% food and beverage tax that will be going into effect July 1, 2013. More information on this tax will be available May 2013.

[www.revenue.state.mn.us](http://www.revenue.state.mn.us)

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Beginning April 1, 2013, the city of Marshall will have a one half of one percent sales and use tax that will be administered by the Minnesota Department of Revenue. The tax will be used to pay the costs of the new and existing facilities of the Minnesota Emergency Response and Industry Training Center and all or part of the costs of the new facilities of the Southwest Minnesota Regional Amateur Sports Center.

The sales tax applies to retail sales made within the city limits of Marshall. The use tax applies to taxable items used in Marshall if the local sales tax was not paid. The tax applies to the same items that are taxable under the Minnesota sales and use tax law.

### Vehicle sales

The Marshall sales and use tax does not apply to sales of motor vehicles registered for road use.

Fact Sheet 164, Local Sales and Use Taxes, contains more information about local taxes and is available on our website.

### Who Must Register

All retailers who are registered to collect Minnesota sales tax and are doing business in Marshall must be registered to collect the Marshall city tax. This includes sellers outside Marshall who:

- have an office, distribution, sales, sample or warehouse locations, or other place of business in Marshall either directly or by a subsidiary;
- have a representative, agent, salesperson, canvasser, or solicitor in Marshall, either on a permanent or temporary basis, who operates under the authority of the retailer or its subsidiary for any purpose, such as repairing, selling, installing, or soliciting orders for the retailer's taxable goods or services, or leasing tangible personal property in Marshall;
- ship or deliver tangible personal property into Marshall; or
- perform taxable services in Marshall.

### Registering for the tax

- Access your e-Services Sales and Use tax account. Click the "Account Information" tab. To edit locations, click "Sales Locations." In the

"Existing Locations" list, click the "Location Code" number for the location you wish to edit. Click "Click Here to Edit Local Information." Click the check box for Marshall and select April 1, 2013 using the calendar date selector feature. Click "OK." Click "Submit."

- If you file over the internet, you may register Marshall when you file your April 2013 sales and use tax return (before you enter the figure). Once you are at the "Enter Taxable Sales and Purchases" table (single location filer) or screen (multiple location filer), click in the last row in the Tax Type column. A drop-down menu will become active. Use the tax type drop-down box and select Marshall Sales. If you are a single location filer, it will assume that you want to add this for location "001." If you have multiple locations, type in the appropriate location number. Enter an amount in the local tax line you added. During processing, the department will add Marshall Sales and Marshall Purchases to your registration for this location and it should appear on future returns.
- If you file by phone, you must register for the Marshall tax before you file your sales and use tax return. Call 651-282-5225 or email us at [salesuse.tax@state.mn.us](mailto:salesuse.tax@state.mn.us) to register. Be sure to include your MN tax ID number if you send an email.

Marshall sales and use tax is reported at the same time you report your Minnesota sales and use tax, but the figures are reported on separate lines.

### Use Tax

Marshall use tax applies when you are located in Marshall and you buy items or services without paying Marshall sales tax to the vendor. Use tax is similar to the sales tax and the rates are identical. It is based on your cost of taxable purchases. Common examples of when you owe use tax are:

- You buy items on the internet, by phone, or from any business and the seller doesn't charge Marshall sales tax and you use the item for business or personal use in Marshall.

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- You buy items for resale at your business, and then remove some of the items from inventory for business or personal use in Marshall.

### Calculating the tax

To calculate the tax, combine the state sales tax rate (currently 6.875 percent) with the Marshall tax rate (0.5 percent) and apply the combined rate (7.375 percent) to the sales price and round to the nearest full cent. A 7.375 percent rate chart is available on our website. Paper rate charts are available upon request.

Charge Marshall sales tax to customers from in or outside Marshall who buy taxable items or services in Marshall for business or personal use, even if these items are taken out of Marshall.

### Exemption Certificates

If your customer gives you a fully completed exemption certificate for state sales tax, also use that certificate as proof of exemption from the Marshall sales tax.

### Local Governments

Local governments are not required to pay local general sales taxes. Local governments include cities, towns, counties, instrumentalities, political subdivisions, commissions, special districts and government boards. No exemption certificate is necessary. However, state sales tax generally applies.

### Handling Transitional Sales

Marshall sales tax does apply to sales made on or after April 1, 2013, and shall be in addition to all other taxes in effect. The Marshall sales and use tax shall not apply to the following:

- The gross receipts from the purchase or lease of tangible personal property made under an enforceable contract entered into before April 1, 2013, provided that delivery or possession of items is taken on or before December 31, 2013.
- The gross receipts from the purchase of taxable services, including utility services, if the billing period includes charges for services furnished before and after April 1, 2013. However, the sales and use tax shall apply to all purchases of taxable services, including utility services, if the

billing period begins with services furnished on or after April 1, 2013.

- The gross receipts from the purchase of construction materials used to complete a lump sum or fixed price construction contract that was signed and enforceable before April 1, 2013, and that does not provide for an allocation of future taxes, provided that the construction materials are used exclusively in performing the contract and the materials are delivered on or before October 1, 2013.

### Information and Assistance

Call: (651) 296-6181 or toll free 1-800-657-3777

Fax: (651) 556-3102

Email: [salesuse.tax@state.mn.us](mailto:salesuse.tax@state.mn.us)

Write: Minnesota Revenue  
Sales and Use Tax Division  
Mail Station 6330  
St. Paul, MN 55146-6330

Or visit our website at [www.revenue.state.mn.us](http://www.revenue.state.mn.us)