

St. Paul Lodging Sales Tax Rate Increase to 7.0%

Starting October 1, 2019, the St. Paul Lodging Tax rate is increasing to 7.0%. From that date on, you must charge 7.0% on all sales of lodging and lodging-related services (previous rate was 6.0%). The Minnesota Department of Revenue administers this tax.

Lodging is the rental of a room or rooms for a temporary place to stay or live. Lodging facilities include hotel, motel, rooming house, tourist court, or trailer camp located within the city by a hotel or motel which has more than 50 rooms available for lodging:

- less than 30 days; or
- 30 days or more, with no enforceable written lease agreement.
 - An enforceable written agreement must be entered into at the time of sale (day one or before) if the stay will be 30 days or more. The enforceable written agreement must include a termination clause, date, and signature.

Lodging-related services provided within a guest room are taxable.

Examples include (but are not limited to):—

- cots, cribs, refrigerators, roll-away beds, and exercise equipment
- food or liquor from mini-bars and refrigerators
- in-room safes
- laundry and dry cleaning services
- pay-per-view movies and video games
- room service or room delivery, including mandatory tips and gratuities
- telephone access charges in guest rooms

For more information, see Fact Sheet 164S, *Special Local Taxes*.

Who Must Register

All hotels, lodging facilities, accommodation intermediaries, and accommodations providers making sales in St. Paul must register for St. Paul Lodging Tax. If you're already registered for this tax, you don't need to register for it again.

Registering for the Tax

If you file Sales and Use Tax returns online, you can register for this tax either before or when you file your October 2019 return.

To Register Before You File

1. Log in to e-Services and access your Sales and Use Tax account.
2. In the I Want To section, select **Manage locations**.
3. In the Existing Sales Locations list select the **Location Code number** for the location you want to edit.
4. Select the **Edit Location** button at the bottom of the page. If the General Information and the NAICS code are correct, select **Next**.
5. If the address information is correct, select **Next**.
6. Select **Next** to bypass End Local Sales and Other taxes.
7. Select the check box for St. Paul Lodging tax. Select **Next**.

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8. Review the page and verify the new local tax is listed under Local Sales and Other Taxes – St. Paul Lodging Tax. If the new tax is listed, select **Submit**.
9. Review and print the Confirmation Summary. You can then select **Close**.

To Register When You File

You can add a local tax when filing a return:

1. Select the link Add a Tax Line at the bottom of the return.
2. From the Tax Type Column, select the dropdown menu to select the local tax you need to add.
3. Enter the taxable dollar amount for the local tax.

The new tax will be on your return the next time you file.

If You File by Phone

You must register for this tax before you file your return. To register, call 651-282-5225 or email us at salesuse.tax@state.mn.us. If you send an email, include your Minnesota Tax ID Number

Reporting the Tax

Report the St. Paul Lodging tax when you report your Minnesota Sales and Use Tax. Each tax is reported on a separate line of your return.

Calculating The tax

To calculate the tax:

1. Add the 6.875% state sales tax rate and the 7% St. Paul Lodging tax rate.
2. Add any other local taxes that apply.
3. Apply the combined 13.875% rate plus any other local taxes that apply, to the sales price. For more information, see Fact Sheet 164S, *Special Local Taxes*.
4. Round the total to the nearest full cent.

When to Charge the Tax

Charge the St. Paul Lodging Tax tax when customers buy taxable items or services in the St. Paul, unless they give you a completed Form ST3, Certificate of Exemption.

Local Governments

Local governments are required to pay St. Paul Lodging tax. Generally they must pay local special taxes in Minnesota, but not local general taxes.

Local governments include cities, towns, counties, instrumentalities, political subdivisions, commissions, special districts, and government boards.

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Information and Assistance

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

Fax: 651-556-3102

Email: salesuse.tax@state.mn.us

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

Visit our website at www.revenue.state.mn.us