

Form SDE, Exemption from Surety Deposits for Non-Minnesota Contractors

Please type or print clearly.

Non-Minnesota Contractor			Minnesota Tax ID Number	
Address			Contact Person	
City	State	ZIP Code	Daytime Phone	Email Address

Name of Contract Owner		Contact Person		Daytime Phone
Contract Owner's Address		City	State	ZIP Code
Project Number	Project Location Address		City	State ZIP Code
Total Contract Amount		Contract Start Date		Projected Contract Completion Date

I request exemption from surety deposits under Minnesota Statute 290.9705 for this reason (check one box only):

- I have a bond secured by an insurance company licensed in Minnesota. Attach Form SDB, *Non-Minnesota Contractor's Bond*.
- I have a cash surety. Bank or other financial institution: _____ Account number: _____
- I have done construction work in Minnesota during the past three calendar years and have fully complied with Minnesota income, sales and use, corporate franchise, and withholding tax laws during that time.

I hereby certify that I have the legal authority to sign this form on behalf of the Non-Minnesota Contractor, and that the information is correct and complete to the best of my knowledge and belief. I authorize the Minnesota Department of Revenue: 1) to disclose pertinent return information to the Surety Company that issued the bond for this project if needed in order to collect on the bond; and 2) to disclose pertinent return information to the Contract Owner for this project if needed concerning the surety deposit and its withholding.

Non-Minnesota Contractor's Signature	Title	Date
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Email or mail this completed form to:

Email: Contractor.Compliance@state.mn.us
 Mail: Minnesota Department of Revenue
 Mail Station 6501
 600 N. Robert St.
 St. Paul, MN 55146-6501

Form SDE Instructions

When to Complete Form SDE

Complete and file Form SDE, *Exemption from Surety Deposits for Non-Minnesota Contractors*, with the Minnesota Department of Revenue before starting a construction project in Minnesota if all of these apply:

- You are a non-Minnesota construction contractor
- You have one or more contracts expected to exceed \$50,000 for construction work done in Minnesota
- You qualify for a surety deposit exemption (see Exemption Requirements)

You must have a Minnesota Tax ID Number to request an exemption. If you do not have a Minnesota Tax ID number:

- Apply online at www.revenue.state.mn.us
- Call the department at 651-282-5225 or 1-800-657-3605

Surety Deposit Requirement

If a business or government agency hires or contracts with you, they must withhold 8% (.08) from their payments to you as a Minnesota surety deposit if both of these apply:

- The work is being performed in Minnesota
- Total payments on the contract will exceed \$50,000

Note: All payments – including the first \$50,000 – are subject to the 8% withholding.

Exemption Requirements

You may qualify for an exemption from the surety deposit requirements if one of these is true:

- You have done construction work in Minnesota during the past three calendar years and have filed all returns and paid all amounts due, including Minnesota income, withholding, corporate franchise, and sales and use tax.
- You give the department a bond that is secured by an insurance company licensed in Minnesota and is equal to 8% of the contract amount. The bond remains in effect until you satisfy all tax liabilities. You may complete Form SDB, Non-Minnesota Contractor's Bond, to send this bond to the department.
- You give the department a cash surety. A cash surety is evidence of a savings account, deposit, or certificate of deposit in, or issued by, a state bank, national bank, or savings and loan association doing business in Minnesota. You may keep any interest and dividends earned on the principal amount.

If You're Exempt

If you qualify for an exemption, we will send you a Surety Deposit Withholding Waiver. Make a copy for your records and give the original letter to the business or government agency you are working for.

If You're Not Exempt

If you do not qualify for an exemption, the business or government agency you are working for must withhold and remit 8% of each payment to you.

To have the deposits refunded to you, complete Form SDR, *Refund of Surety Deposits for Non-Minnesota Contractors*. If we determine that you have complied with all applicable Minnesota income, withholding, and sales and use tax laws for the periods covered by the deposit, we will send you a refund plus interest.

Information and Assistance

Additional forms and information, including fact sheets and frequently asked questions, are available on our website. Website: www.revenue.state.mn.us

Email: withholding.tax@state.mn.us

Phone: 651-282 9999 or 1-800-657-3594

This information is available in alternate formats.

Use of Information

The information you enter on this form may be private or nonpublic under state law. We use it to determine if you qualify for a surety deposit exemption under Minn. Stat. § 290.9705. You are not required to provide the information requested; however, we are unable to process the exemption from surety deposits unless the form is complete. We cannot share any such private or nonpublic information without your written consent, authorization by law, or court order.