

Dry Cleaning Registration Fee and Solvent Fee

Dry Cleaner Fact Sheet 1

The Minnesota Department of Revenue is responsible for administering three dry cleaning fees:

1. Dry cleaning registration fee
2. Dry cleaning solvent fee
3. Dry cleaning solvent use fee

What is a dry cleaning facility?

A dry cleaning facility is:

- A business that engages in commercial cleaning of apparel and household fabrics for the general public
- A business that uses one or more dry cleaning solvents as cleaning agent (including nonaqueous solvents)

1. Dry Cleaning Registration Fee

Dry cleaning facilities or businesses engaged in dry cleaning must register with the Minnesota Department of Revenue each year and pay an annual fee. (See Minnesota Statutes, Chapter 115B.47-115B.51.)

It is the total hours worked (by employees, owners, and others in the dry cleaning facility) during the 12-month period beginning July 1 of the preceding year and running through June 30 of the year in which the annual registration fee is due.

Use your FTE value to determine your annual registration fee:

If your FTE rate is	Your annual registration fee is
Less than 5	\$6,267
5 to 10	\$19,431
More than 10	\$35,781

If you are a dry cleaning facility, you must file Form DC1, *Annual Registration Fee for Dry Cleaning Facilities* by Oct. 1 and pay the fee by Oct. 18. If you cannot pay in full by this date, you can make quarterly electronic payments.

Are there dry cleaning fee exemptions?

The dry cleaning fees apply to most commercial dry cleaning facilities. Certain facilities, or sales to those facilities, are exempt from these fees.

You do not have to pay the fee(s) or file a return if your dry cleaning facility is:

- Coin operated
- Located on a U.S. military base, prison, or other penal institution
- A uniform service or linen supply business
- A business registered on the national priorities list established under the Federal Superfund Act

How do I make a payment?

You can either pay the fee in full or in four equal quarterly payments.

Pay the fee amount in full by October 18.

- **Pay electronically from your bank account.** Go to www.revenue.state.mn.us and select **Make a Payment**. Select **Bank Account**. We do not charge you for this service.
- **Pay with a credit card or debit card.** Go to www.revenue.state.mn.us, and select **Make a Payment**. Select **Credit or Debit Card**. Your payment will be processed by a third-party vendor. The vendor charges a fee for the service.

Pay the fee amount in four equal quarterly payments.

- Electronic deductions from your bank account will occur on October 18, January 18, April 18, and June 18. If this date falls on a Saturday, Sunday or legal holiday, the deduction from your account will be made on the next business day.
- **Interest is added to your balance due.** You must notify us by checking the quarterly payment box on your return and listing your bank information no later than October 3 if you would like to participate in this quarterly plan.

2. Dry Cleaning Solvent Fee

There is a fee charged on dry cleaning solvents used in any Minnesota dry cleaning facility. The suppliers who sell the solvents are required to charge and collect the fee from the dry cleaning facility.

The rates for the dry cleaning solvents fee is based on the volume of perchloroethylene, hydrocarbon-based solvents, and other nonaqueous solvents sold.

For this type of solvent	The fee amount is
Perchloroethylene	\$85.80 per gallon
Hydrocarbon-based	\$45.49 per gallon
Other nonaqueous solvents	\$21.24 per gallon

You must file the Dry Cleaning Solvents Fee electronically on your Sales and Use Tax return in our e-Services system.

3. Dry Cleaning Solvents Use Fee

Suppliers of dry cleaning solvents are required to collect and remit a fee on particular solvents sold to dry cleaning facilities for use in Minnesota. If the fee is not collected from a dry cleaning facility at the time of the sale, the dry cleaning facility is responsible for paying the use fee directly to Revenue.

You must file the Dry cleaning Solvents Use Fee electronically on your Sale and Use Tax return in our e-Services system.

Important Notice: File and pay your solvents use fee electronically

For tax periods beginning in 2015, you must file the Dry Cleaning Solvents Use Fee electronically on your Sales and Use Tax return using our e-Services system.

What if I have questions?

If you have questions about dry cleaning fees contact us at environmental.tax@state.mn.us or 651-282-5770.