

# MinnesotaCare Taxes

## 2025 Pharmacy Refund

Instructions for filing your MinnesotaCare Pharmacy Refund Return (Minnesota Statutes, sections 295.50 through 295.59)  
For Minnesota pharmacies only

### Contact Us

**Website/e-Services**  
www.revenue.state.mn.us

**MinnesotaCare Taxes**  
**Email**  
MinnesotaCare.tax@state.mn.us

**Phone**  
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Weekdays, 8 a.m. to 4:30 p.m.

**Fax**  
651-556-5233

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**Email**  
business.registration@state.mn.us

**Phone**  
651-282-5225 or 1-800-657-3605

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This information is available in alternate formats.	

**Your 2025 Pharmacy Refund Return is Due March 16, 2026**  
File your return electronically starting **January 22, 2026**.  
Go to our website and log in to e-Services to file.

### What’s New

#### Rebates

Due to a 2025 tax law change, wholesale drug distributors must include all rebates paid to customers in their gross revenues received after June 30, 2025. Pharmacies requesting a refund for the purchase of legend drugs in Minnesota that were subsequently shipped outside of Minnesota no longer need to subtract rebates received from their purchase price.

Example: Pharmacy enters into a contract with wholesale drug distributor that requires \$10,000 in payment for legend drugs in 2025. The contract: 1) provides the pharmacy is entitled to a non-discretionary rebate of \$1,000 from the wholesale drug distributor paid in \$250.00 quarterly installments (April 15, July 15, and October 15, 2025, and January 15, 2026); and 2) contains the terms and conditions central to the holding in *Dakota Drug, Inc. v. Commissioner of Revenue*, 13 N.W.3d 387 (Minn. 2024). The wholesaler issues \$250 dollars in rebates to the pharmacy prior to July 1, 2025. The pharmacy must subtract from \$10,000, and the rebate received and should report \$9,750 in the “Total Paid for Legend Drugs” line of the pharmacy refund return. All rebated paid by the wholesaler to the pharmacy after June 30, 2025 do not need to be subtracted from the total.

#### Quarterly Returns

Due to a 2025 tax law change, Minnesota pharmacies that purchase qualifying legend drugs must file a Pharmacy Refund Return on a quarterly, rather than annually, basis.

The amendment provides the following return schedule for taxpayer requesting refund:

- On or after July 1 for legend drugs delivered between January 1 and March 31 and between April 1 and June 30
- On or after October 1 for legend drugs delivered between July 1 and September 30
- On or after January 1 for legend drugs delivered between October 1 and December 31

No refund is allowed for a refund claim filed more than one year after the end of the quarter in which the legend drugs were delivered.

This change is effective for legend drugs delivered outside of Minnesota after December 31, 2025.

Pharmacies expecting to file a Pharmacy Refund should contact the Department of Revenue after July 1, 2026 so we can set your returns to automatically generate each quarter.

#### 2025-2026 Interest & Tax Rates

The interest rate for 2025 is 8% and the interest rate for 2026 is 7%.

The tax rate for 2026 remains at 1.8%.

# Important Reminders

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## 2024 Pharmacy Refund Deadline

The final deadline to claim a 2024 Pharmacy Refund is March 16, 2026. We will not allow refund claims filed after this date.

## Receive Email Updates

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Stay informed about MinnesotaCare taxes! Sign up to receive email updates about:

- Filing and payment due date reminders
- New or updated publications
- Educational tax seminars
- Tax law changes

To sign up, go to our website at [www.revenue.state.mn.us](http://www.revenue.state.mn.us) and subscribe to email updates. Enter your email address and select **MinnesotaCare Tax Updates** from the list.

## Register for a Minnesota Tax ID Number

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You need a Minnesota Tax ID Number and a MinnesotaCare Pharmacy Refund account to file returns. A Minnesota ID number is a seven-digit number assigned to you when you register with the Minnesota Department of Revenue.

If you do not have a Minnesota ID number, you must register for one. You can register on our website at [www.revenue.state.mn.us](http://www.revenue.state.mn.us) or by contacting Business Registration (refer to *Contact Us* on this page). You can add a Pharmacy Refund account at the same time you register for a Minnesota ID number.

If you currently have a Minnesota ID number for other Minnesota taxes, you can add a Pharmacy Refund account to your number. To add an account, go to our website and log in to e-Services or contact Business Registration.

## General Information

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### Who is Eligible

Minnesota pharmacies that purchase qualifying legend drugs can claim the MinnesotaCare Pharmacy Refund if they later deliver or ship the drugs to locations outside of Minnesota.

The refund rate is 1.8%.

### Qualifying Legend Drugs

Minnesota pharmacies can only claim a Pharmacy Refund on qualifying legend drugs. Qualifying legend drugs are legend drugs purchased from a wholesale drug distributor subject to MinnesotaCare Wholesale Drug Distributor Tax.

To determine if a wholesale drug distributor is subject to tax, check your purchase invoice for a MinnesotaCare tax expense charge or contact the wholesaler for verification.

### Definition of Legend Drugs

Legend drugs are drugs or gases required by federal law to be sold or dispensed in a container labeled with one of these statements:

- “Caution: Federal law prohibits dispensing without prescription”
- “Rx only”

Legend drugs or gases must be classified by the U.S. Food and Drug Administration (FDA) as a drug and not a device.

Nutritional products, blood, and blood components (e.g., plasma, platelets, red blood cells, and white blood cells) are not legend drugs and cannot be used to claim the refund.

Biological products, including blood derivatives, are legend drugs. However, two biological products – blood and blood components – are not. They are excluded from the statutory definition of legend drug.

### Filing Due Date

Your Pharmacy Refund Return is due annually by March 15 for drugs delivered or shipped outside of Minnesota during the previous calendar year.

The 2025 Pharmacy Refund Return is due March 16, 2026.

The final deadline to claim the 2025 refund is March 15, 2027. We will not allow refund claims that are filed more than one year after the original due date of the return.

## General Information (continued)

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### Reporting Business Changes

Be sure to update your business information if any of these apply:

- You changed the name, address, owner/officers, or ownership of your business
- You changed contact information (such as email address, phone number, or contact person)
- You need to add or close a tax account
- You closed your business

To update your business information, go to our website and log in to e-Services. For more information, refer to *Manage Your Profile in e-Services* on Page 4.

### Recordkeeping

Keep all internal accounting records and external third-party documentation that support the amounts reported on your Pharmacy Refund Return.

This includes any paper records and any records you receive or store electronically. Some examples of paper and electronic records include:

- Legend drug purchase invoices
- Records verifying drugs delivered or shipped outside of Minnesota
- Records verifying any drugs returned to you after they were delivered or shipped outside of Minnesota
- Audited and compiled financial statements
- All other summary and detail reports, schedules, ledgers, and journals
- Computer system or software back-ups
- Rebate contracts

If you are audited, you will need to provide four to six years of records. All documentation must be made available for the department to review. Refunds may be denied if your documentation is incomplete.

### Statute of Limitations

The department may audit your return within 3½ years from the original due date of the return or the date you filed the return, whichever is later. There is no time limit if we find you have fraudulently claimed a refund or reported false information.

## How to File Your Annual Return

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***Your 2025 MinnesotaCare Pharmacy Refund Return is due March 16, 2026.***

*File your return using our e-Services system starting January 22, 2026.*

### Information You Need to File Your Return

You must file your Pharmacy Refund Return electronically using our e-Services system. Go to our website at [www.revenue.state.mn.us](http://www.revenue.state.mn.us) to log in to e-Services. Before you can file your return, you need this information:

- Your username and password
- Total legend drug purchases made during the year
- Total legend drug purchases delivered outside of Minnesota
- Total returned legend drug purchases that were delivered outside of Minnesota

Refer to the *Line Instructions* on this page for help calculating these amounts.

**You must have a Pharmacy Refund account to file a return.** To add an account, log in to e-Services or contact Business Registration (refer to *Contact Us* on Page 1).

If you have an account, but the period you are filing is not listed in e-Services, call the MinnesotaCare Taxes Unit at 651-282-5533 so we can add it to your account.

### Line Instructions

Use this information when you electronically file your return.

#### Legend Drug Purchases

Report the total amount you paid during the year for qualifying legend drugs that you purchased from wholesale drug distributors subject to Wholesale Drug Distributor Tax.

**Do not include** in the total amount you paid:

- Amounts paid for drugs or devices that are not legend drugs

# How to File Your Annual Return (continued)

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- Amounts paid for legend drug purchases on which you paid MinnesotaCare Legend Drug Use Tax. (*Note:* To claim a refund of Legend Drug Use Tax, amend your Legend Drug Use Tax Return. Do not file a Pharmacy Refund Return.)
- Certain rebates received (see *What's New* section on page 1).

For the definition of legend drugs and information on qualifying legend drugs, refer to Page 2.

## Legend Drug Purchases Delivered Outside of Minnesota

Report the total amount you paid for qualifying legend drugs (regardless of when you purchased the drugs) that you delivered or shipped outside of Minnesota during the year.

## Legend Drugs Returned to You

Report the total amount you paid for qualifying legend drugs delivered or shipped outside of Minnesota (regardless of when you purchased, delivered, or shipped the drugs) that were returned to you during the year.

## Pharmacy Refund

Our e-Services system will calculate your refund. The refund rate for 2025 is 1.8%.

# How to Amend Your Return

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To adjust your return, you must file an amended return electronically using our e-Services system.

You must file your amended return within 3½ years of the original due date for the year you are amending.

Keep all supporting documentation for any amended return you file. All documentation should be made available on request for the department to review. All amended returns are subject to audit.

## Filing Instructions

To amend a return, follow these steps:

1. Go to our website at [www.revenue.state.mn.us](http://www.revenue.state.mn.us) and log in to e-Services.
2. Select **Returns and Periods** for your Pharmacy Refund account.
3. Select **View or Change Return** for the return you want to amend.
4. Select **Change** on the return screen.
5. Enter your corrected amounts, contact information, and the reason you are amending the return.
6. Follow the remaining prompts and select **Submit**.

You will receive a confirmation number if your amended return is filed successfully. If you need help or have questions about amending a return, please contact us.

## Paying a Balance Due

If you amend your Pharmacy Refund Return for less than the amount you claimed on your original return, you must pay the amount due plus interest. Our e-Services system will calculate the interest for you.

## Electronic Payment Requirements

You must pay electronically if your tax liability was more than \$10,000 for any one Minnesota business tax during the previous fiscal year (July 1 – June 30).

If you are required to pay any Minnesota business tax electronically for one year, you must pay all Minnesota business taxes electronically for all future years. We will send you a notice the first year you are required to pay electronically.

We will assess a 5% payment method penalty on any non-electronic payments if you do not pay electronically when required.

## Electronic Payment Options

### e-Services

You can make your payment using our online e-Services system when filing your amended return. You will need your bank routing and account numbers. You cannot use a foreign bank account. If you pay through e-Services, you can view a record of your payments online once they have processed.

### Automated Clearing House (ACH) Credit

ACH credit payments are initiated by you through your bank. You authorize your bank to transfer funds to the state's bank account. The bank must use ACH file formats, which are available on our website. Your bank may charge you a fee for these payments.

### Bank Wire

You can authorize a direct transfer from your bank account to the department. For information on how to make a bank wire transfer, call us at 651-556-3003 or 1-800-657-3909.

# Manage Your Profile in e-Services

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Our e-Services system lets you:

- Update your profile information
- Store your email address, phone number, and banking information
- Create access to your and other people's accounts
- Add additional users with varying security, as well as request and approve third-party access

## Set Up and Manage Users

### Access Types

There are two access types to choose from in e-Services:

- **e-Services Masters** can view, file returns, and/or make payments for one or more accounts. They can add, delete, and change security levels for all users.
- **Account Managers** can view, file returns, and/or make payments for one or more accounts depending on the access level an e-Services Master has set up for the user.

### Access Levels

e-Services access level options include:

- **All Access** - allows user to view all information, file returns, make payments, and update account information
- **File** - allows user to view all information and file returns
- **Pay** - allows user to view all information and make payments
- **View** - allows user to only view all information

## Two-Step Verification

Two-step verification adds a second layer of security to prevent unauthorized access to your account. You must enter a username, password, and a verification code we send you to log in to your account.

## Third-Party Access

Third-party access provides a secure and convenient way for users to manage accounts, file returns, and/or make payments for other businesses.

Both parties must work together to establish this access. First, a user must request third-party access from a customer in e-Services. Second, the customer must approve or deny the access request in e-Services.

For more information, go to our website at [www.revenue.state.mn.us](http://www.revenue.state.mn.us) and enter **Third-Party Access** in the Search box.