

Form REA-1 Instructions

Minnesota Rural Electric Cooperative Associations are subject to an annual tax of \$10 per 100 members, or fraction thereof, of such association. The tax applies to all rural and non-rural Minnesota members. Minnesota Statute 273.41.

Minnesota Tax ID Number

Enter your seven-digit Minnesota Tax ID number. If you do not have a Minnesota ID number, you can register for one online at www.revenue.state.mn.us or by calling 651-282-5225 or 1-800-657-3605.

To Pay Electronically

If you're required to pay *any* Minnesota tax electronically, you're required to pay *all* Minnesota taxes electronically—including the tax based on your members. Failure to pay electronically when required will result in a penalty being assessed. The penalty is 5% of each payment that should have been remitted electronically, but was remitted by some other means.

To pay your tax electronically, go to www.revenue.state.mn.us and log in to e-Services.

You'll need your user name, password and banking information. When paying electronically, you must use an account not associated with any foreign banks.

Note: If you are using the system for the first time and you need a temporary password, call 651-282-5225 or 1-800-657-3605.

Penalties and Interest

If you do not file your return on time or pay the amount due by the due date, you may be charged penalty and interest.

Late-Payment Penalty. A late payment penalty is assessed on any tax not paid by March 1. The penalty is 10% of the unpaid tax.

Interest. You must also pay interest on the penalty and tax you are sending in late. Interest is calculated using the following formula:

Interest = (fee + penalty) \times # of days late \times interest rate \div 365

You can find the current interest rate on our website.

Payment Method Penalty. You may be required to pay your tax electronically. If you are required by state law to pay your tax electronically and the payments are remitted by some other means, a penalty will be assessed. The penalty is 5% of each payment that should have been remitted electronically.

Information and Assistance

Website: www.revenue.state.mn.us

Phone: 651-556-4721

Email: special.taxes@state.mn.us