



Sourcing of Sales

Applying State and Local Taxes

Minnesota Business Tax Education

September 2025

Disclaimer

This presentation is for educational purposes only and does not provide tax advice. It is meant to accompany an oral presentation and not to be used as a standalone document.

This presentation is based on the facts and circumstances being discussed, and on the laws in effect when it is presented. It does not supersede or alter any provisions of Minnesota laws, administrative rules, court cases, or revenue notices.

If you have any questions, contact us at salesuse.edu@state.mn.us, 651-296-6181, or 1-800-657-3777 (toll-free).



Minnesota Business Tax Education Program

Providing education opportunities about Minnesota tax laws.

Course Objectives

After completing this course, you will be able to:

- Determine what taxes apply to sales
- Identify what local taxing jurisdictions are implementing new local sales and use taxes
- Explain who must register for, collect, and remit local taxes
- Register for a local tax using e-Services
- Identify the documentation necessary for sales and use tax records and returns
- Locate several resources that answer your sales and use tax questions

Which taxes apply to the sale?

Part 1

General Sourcing Rules



1 Seller's
Address



2 Delivery
Address



3 Billing
Address

[M.S. 297A.668, subd. 2](#)

General Sourcing Rules *(continued)*



4 Address
from Payment
Instrument



5 Seller's
Address

[M.S. 297A.668, subd. 2](#)

Sourced to Seller's Address



Sample Invoice 1

Lakeville Hardware
20195 Holyoke Ave
Lakeville, MN 55044-8339

Invoice #6543

Date: 3/1/2025

Bill To: Ben Weatherstaff

Ship To: Pick-up

Description	Amount	Tax
4-Step Fertilizer Program	\$ 150.00	T
Fertilizer Spreader	50.00	T
Subtotal	200.00	
Delivery	N/A	
Sales Tax (MN 6.875%, Dakota Cty Transit 0.25%, MAT 0.75%, MATH 0.25%)	16.25	
TOTAL:	\$ 216.25	

Sample Invoice 2

Detroit Lakes Public Library
1000 Washington Ave.
Detroit Lakes, MN 56501-3414

Invoice #1122

Date: 4/4/2025

Bill To: John Smith
 913 Lake Ave
 Detroit Lakes, MN 56501 - 3403

Ship To:

Description	Amount	Tax
Meeting room rental	\$ 150.00	N
Projector rental	50.00	T
Tables (50)	50.00	T
Chairs (100)	100.00	T
Subtotal	350.00	
Delivery	N/A	
Sales Tax (MN 6.875%, Becker Cty Transit 0.5%, and Detroit Lakes 0.5%)	15.75	
TOTAL:		\$ 365.75

Sourced to Delivery Address



Sample Invoice 3

Trusty Cleaners
 402 Park St
 Freeborn, MN 56032

Invoice #911

Date: 4/10/2025

Bill To: Miranda Justice & Associates **Ship to:** Same
 411 South Broadway
 Albert Lea, MN 56007-4505

Description	Amount	Tax
Weekly cleaning for the period 1/1/25 - 3/31/25 (13 weeks)	\$ 1,950.00	T
Subtotal	1,950.00	
Delivery	-	
Sales Tax (MN 6.875%, Freeborn Cty Transit 0.5%, Albert Lea 0.5%)	153.56	
TOTAL:		\$ 2,103.56

Sample Invoice 4

Greene Lawn Care
 1005 High Ave. NE
 Willmar, MN 56201-6849

Invoice #7654

Date: 6/15/2025

Bill To: Mary Lennox **Job Site:** Same
 1009 West Lincoln Ave.
 Olivia, MN 56277-1250

Description	Amount	Tax
Lawn mowing	\$ 75.00	T
Fertilizer application	100.00	T
Subtotal	175.00	
Delivery	N/A	
Sales Tax (MN 6.875%, Renville Cty Transit 0.5%)	12.91	
TOTAL:		\$ 187.91

Sample Invoice 7

ABC Lumber
1525 S. Cedar Ave.
Owatonna, MN 55060-3955

Invoice #4444

Date: 5/30/2025

Bill To: Jack of All Trades Construction
 540 West Hills Circle
 Owatonna, MN 55060-4701

Ship To: Lily Woodhouse
 408 2nd Avenue SE
 Medford, MN 55049-9515

Description	Amount	Tax
Composite decking	\$ 2,000.00	T
Deck screws	50.00	T
Subtotal	2,050.00	
Delivery	50.00	T
Sales Tax (MN 6.875%, Steele Cty Transit 0.5%, Medford 0.5%)	165.38	
TOTAL: \$		2,265.38

Sample Invoice 8

Maplewood Fireplace Co.
1820 VanDyke St.
Maplewood, MN 55109-3709

Invoice #8765

Date: 05/31/2025

Bill To: Ashton Woods
 1584 Hadley Avenue N.
 Oakdale, MN 55128-5407

Ship To: Same

Description	Amount	Tax
Pilot light, installed	\$ 75.00	N
Subtotal	75.00	
Trip Charge	50.00	N
Taxes (Maplewood Fireplace Co. pays tax on materials used)	N/A	
TOTAL: \$		125.00

Sample Invoice 9

Lake Elmo Park Reserve
1515 Keats Ave. No
Lake Elmo, MN 55042-9569

Invoice #1099

Date: 6/7/2025

Bill To: Anajali Patel
 3880 Laverne Ave. N.
 Lake Elmo, MN 55042-1500

Ship To: Lake Elmo Park Reserve
 1515 Keats Ave. No
 Lake Elmo, MN 55042-9569

Description	Amount	Tax
Rental of Nordic Center at Lake Elmo Park Reserve	\$ 200.00	T
Reserved from 9:00 a.m. to 1:00 p.m. (4 hrs @ \$50/hr)		
Vehicle permit required to enter the park See Revenue Notice 17-08		
Subtotal	200.00	
Delivery	N/A	
Sales Tax (MN 6.875%, Washington Cty Transit 0.5%, MAT 0.75%, MATH 0.25%)	16.75	
TOTAL:	\$ 216.75	

Sample Invoice 10

Nobles Auto Glass
407 12th St.
Worthington, MN 56187-2471

Invoice #944

Date: 3/1/2025
Bill To: Portia Carrera
 305 E. Luverne St.
 Luverne, MN 56156-1611

Service Location:
 Portia Carrera
 City Hall: 303 9th St.
 Worthington, MN 56187-2335

Description	Amount	Tax
Replacement Windshield	\$ 600.00	T
Repair Labor	\$ 500.00	N
VIN: 12345689XYZ License: MN 123 ABC		
Service time: 9:00 - 11:00 a.m		
Subtotal	1,100.00	
Delivery	-	
Sales Tax (MN 6.875%, Nobels Cty Transit 0.5%, Worthington 0.5%)	47.25	
TOTAL:	\$ 1,147.25	

Sample Invoice 12

Business Solutions Software Co.
1315 10th St.
Sacramento, CA 95814-4905

Invoice #65432

Date: 1/2/2025

Bill To: Billy Beane Enterprises **Ship To:** Downloaded
 122 6th St. NE
 Staples, MN 56479-2900

Description	Amount	Tax
Accounting Software Package - 5 users	\$ 4,000.00	T
Subtotal	4,000.00	
Delivery	N/A	
Sales Tax (MN 6.875%, Todd Cty Transit 0.5%, Staples 0.5%)	315.00	
TOTAL: \$ 4,315.00		

Sample Invoice 13

Enola Holmes, P.I.
15 Ash St NE
New London, MN 56273-8553

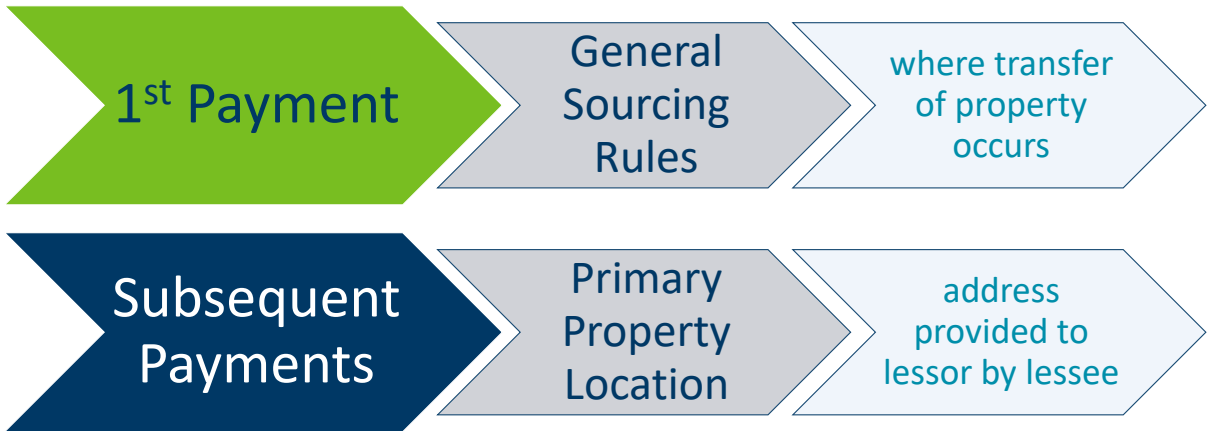
Invoice #9254

Date: 7/15/2025

Bill To: Candace Richards **Ship To:** Sent via email
 221 Washburne Ave
 Paynesville, MN 56362-1642

Description	Amount	Tax
Investigative Services 9 hours @ \$150.00/hour	\$ 1,350.00	T
Photographs	25.00	T
Mileage 259 @ \$0.655/mile	169.65	T
Subtotal	1,544.65	
Sales Tax (MN 6.875%, Stearns Cty 0.375%, Stearns Cty Transit 0.25%)	115.85	
TOTAL: \$ 1,660.50		

Sourcing Rules for Operating Leases or Rentals of Tangible Personal Property (TPP)



[M.S. 297A.668, subd. 3](#)

Sample Invoice 14

Business Solutions Co
658 Cedar St
St. Paul, MN 55155-1603

Invoice #12345-1

Date: 8/1/2025

Bill To: Widget Manufacturing
 300 South 6th St
 Minneapolis, MN 55487-0999

Ship To: Picked-Up

Description	Qty	Amount	Tax
Commercial Copy Machine S/N:987654321CCM Monthly Lease 1 of 60 (August 1-31, 2025)	1	\$ 250.00	T
Subtotal		\$ 250.00	
Sales Tax (MN 6.875%, St Paul 1.5%, Ramsey Cty Transit 0.5%, MAT 0.75%, MATH 0.25%)			24.69
TOTAL:		\$ 274.69	

Sample Invoice 15

Business Solutions Co
658 Cedar St
St. Paul, MN 55155-1603

Invoice #12345-2

Date: 9/1/2025

Bill To: Widget Manufacturing **Ship To:** Same
 300 South 6th St
 Minneapolis, MN 55487-0999

Description	Qty	Amount	Tax
Commercial Copy Machine S/N:987654321CCM Monthly Lease 1 of 60 (September 1-30, 2025)	1	\$ 250.00	T
Subtotal		\$ 250.00	
Sales Tax (MN 6.875%, Minneapolis 0.5%, Hennepin Cty 0.15%, Hennepin Cty Transit 0.5%, MAT 0.75%, MATH 0.25%)		22.56	
TOTAL:		\$ 272.56	

Sample Invoice 16

Grand Water Softener Sales
420 N. Pokegama Ave.
Grand Rapids, MN 55744-2658

Invoice #5432

Date: 6/1/2025

Bill To: George Washington **Ship To:** Same
 123 NE 4th St.
 Grand Rapids, MN 55744-2659

Description	Amount	Tax
Water Softener installation	\$ 100.00	T
Water Softener Rental - June 1 thru June 30	25.00	T
Water softener salt - 2 bags	35.00	T
Subtotal	160.00	
Delivery	N/A	
Sales Tax (MN 6.875%, Itasca Cty 1.0%, Grand Rapids 0.5%)	13.40	
TOTAL:		\$ 173.40

Operating Lease vs. Capital Lease

Characteristics	Operating Lease (<i>Rental Agreement</i>)	Capital Lease (<i>Financing Agreement</i>)
What is being transferred?	Transfer of possession only; not title	Transfer of title upon possession or at the end of the lease agreement
Who owns property at the end of the lease?	Lessor owns property but lessee may have a buy-out option	The customer is required to buy the item at the end of the lease agreement, or can buy for a nominal amount
When is tax charged?	Sales tax applied to each lease payment	Sales tax is due up front

Special Sourcing Rules

- Lease or rental of motor vehicles, trailers, semitrailers, or aircraft that do not qualify as transportation equipment ([M.S. 297A.668, subd. 4](#))
- Transportation equipment ([M.S. 297A.668, subd. 5](#))
- Multiple points of use ([M.S. 297A.668, subd. 6a](#))
- Advertising and promotional direct mail ([M.S. 297A.668, subd. 7](#))
- Other direct mail ([M.S. 297A.668, subd. 7a](#))
- Manufactured and modular housing ([M.S. 297A.668, subd. 8](#))
- Florist sales ([M.S. 297A.668, subd. 9](#))
- Telecommunications and related services ([M.S. 297A.669](#))

Lease or rental of motor vehicles, trailers, semitrailers, or aircraft



Transportation Equipment



Multiple Points of Use



Advertising and Direct Mail



Manufactured and Modular Housing



Florist Sales



Telecommunications and Related Services



Local Taxes

Local taxes are added to the state general sales tax rate to compute the total tax rate.

- City tax
- County tax
- Special local tax(es)
- Motor vehicle \$20 excise tax



Enter Taxable Sales and Purchases

Enter the taxable amount of gross receipts in the Amount column for each location and line, then select **Next**.

Location	Line	Tax Type	Rate	Amount	Tax Due
X 001	100	General Rate Sales Tax	6.875%	0.00	0.00
X 001	200	Use Tax Purchases	6.875%	0.00	0.00
X 001	210	Variable Rate Purchases	Varies	0.00	0.00
X 001	392	Metro Area Sales Tax for Housing	0.25%	0.00	0.00
X 001	393	Metro Area Use Tax for Housing	0.25%	0.00	0.00
X 001	394	Metro Area Transportation Sales Tax	0.75%	0.00	0.00
X 001	395	Metro Area Transportation Use Tax	0.75%	0.00	0.00
X 001	400	Minneapolis Sales	0.5%	0.00	0.00
X 001	405	Minneapolis Use	0.5%	0.00	0.00
X 001	430	Hennepin County Sales	0.15%	0.00	0.00
X 001	431	Hennepin County Use	0.15%	0.00	0.00
X 001	432	Hennepin County Transit Sales	0.50%	0.00	0.00
X 001	433	Hennepin County Transit Use	0.50%	0.00	0.00

To add a tax line, select the blank row.

Cancel

Save and Finish Later

Previous

Next

Local Tax Changes

- Direct notification if your business is in a jurisdiction with a new, changed, or ended local tax
- Local Sales Tax Notices [Local Sales Tax Notices](#)
- GovDelivery sent to everyone who subscribes

Transition Sales

We have rules for transition sales involving:

- Tangible personal property
- Lease payments for tangible personal property
- Taxable services
- Admission tickets
- Purchases of construction materials used to complete a lump sum or fixed price construction contract

Sales of TPP Sourced to a Location with a New Tax Rate

Transitional periods do not affect sales of tangible personal property. Sales or use tax applies on the date the buyer takes possession or title of the goods, whichever happens first.

Sample Invoice 17

Furniture Superstore
123 University Ave
St. Paul, MN 55101

Invoice #12345

Date: 12/15/2024

Bill To: Sophia Chase
710 2nd Ave S
St James, MN 56081-1741

Ship To: Same

Description	Qty	Amount	Tax
Right Sectional Couch SKU#LV123456; Ivory Linen fabric	1	\$ 950.00	T
Delivery scheduled for January 9, 2025 9-11 a.m.			
Subtotal		\$ 950.00	
Delivery		\$ 150.00	T
Sales Tax (MN 6.875%, Watonwan Cty Transit 0.5%)		81.13	
TOTAL:		\$ 1,181.13	

Leases and Services Sourced to a Location with a New Tax Rate

Rate Increase:

- The new rate applies to the **first billing period** that starts on or after the effective date of the change

Rate Decrease:

- The new rate applies only to **bills issued** on or after the effective date of the change

Sample Invoice 18

XYZ Energy
629 N 11 St
Montevideo, MN 56265-1652

Invoice #5678

Date: 1/15/2025

Bill To: Unique Boutique Ship To: Same
151 Arne Anderson Dr
Montevideo, MN 56265-2127

Description	Amount	Tax
Commercial Electric (December 15, 2024-January 15, 2025)	\$ 150.00	T
Commercial Water (December 15, 2024-January 15, 2025)	75.00	T
Commercial Gas (December 15, 2024-January 15, 2025)	100.00	T
Subtotal	325.00	
Delivery	N/A	
Sales Tax (MN 6.875%)	22.34	
TOTAL:		\$ 347.34

Sample Invoice 19

XYZ Energy
202 Parkway Ave S
Lanesboro, MN 55949-9795

Invoice #5678

Date: 1/15/2025

Bill To: Unique Boutique Ship To: Same
114 Coffee St
Lanesboro, MN 55949-8702

Description	Amount	Tax
Commercial Electric (December 15, 2024-January 15, 2025)	\$ 150.00	T
Commercial Water (December 15, 2024-January 15, 2025)	75.00	T
Commercial Gas (December 15, 2024-January 15, 2025)	100.00	T
Subtotal	325.00	
Delivery	N/A	
Sales Tax (MN 6.875%, Fillmore Cty Transit 0.5%)	23.97	
TOTAL:		\$ 348.97

Admission Sourced to a Location with a New Tax Rate

- The new tax applies to sales of admission on or after the effective date.
- Ticket sales are taxed based on the date purchased, not the date of the event.

Sample Invoice 20

Dilworth Civic Theater
2 1st Ave SE
Dilworth, MN 56529

Invoice #45678

Date: 3/15/2025

Bill To: Richard Rogers
101 14th St.
Cloquet, MN 55720-1657

Ship To: Will Call

Description	Amount	Tax
4 Tickets to <i>Okalahoma!</i> April 27, 2025 2:00 p.m. Mattinee	\$ 140.00	T
Subtotal	140.00	
Delivery	N/A	
Sales Tax (MN 6.875%, Clay Cty 0.5%)		10.33
TOTAL:	\$ 150.33	

Construction Contracts with a New Tax Rate at the Job Site

Tangible personal property or services purchased in relation to a preexisting bid or contract are exempt from a new tax or a tax rate increase for six months from the effective date of the law change. The exemption is for the change in tax on items or services if purchased during the transitional period.

[Sales During Transitional Periods](#)

Tools to Find Tax Rates

We offer a variety of tools including:

- Local Sales Tax Rate
- Twin Cities Area Local Tax Rate
- Sales Tax Rate Calculators
- Sales Tax Rate Map
- Sales Tax Rate Spreadsheet
- Sales Tax API (Application Program Interface)

Businesses



We offer information and resources to help businesses:

- File and pay Minnesota taxes and fees
- Get a Minnesota Tax ID Number
- Calculate sales tax rates
- Manage tax accounts and business information
- Learn about other business taxes and fees

Top Tasks	[+]
Business Tax Resources	[+]
Business Taxes and Fees	[-]

- | | |
|--|--|
| All Business Taxes and Fees | Minnesota Care Taxes |
| Alcoholic Beverage Tax | Mortgage Registry and Deed Tax |
| Cannabis Tax | Partnership Tax |
| Cigarette and Tobacco Taxes | Petroleum Tax |
| Corporation Franchise Tax | Property Taxes |
| Environmental Taxes and Fees | S Corporation Tax |
| Estate Tax | Sales and Use Tax |
| Fiduciary Tax | Solar Energy Production Tax |
| Gambling Taxes | Unrelated Business Income Tax |
| Insurance Taxes | Wind Energy Production Tax |
| Mining and Mineral Taxes | Withholding Tax |

Contact Info

EMAIL
Contact form

PHONE
651-282-5225
800-657-3605

HOURS [+]

ADDRESS [+]

Related Content

Collection Information
Annual Tax Statistics
Revenue Notices

Last Updated

May 24, 2023

Sales and Use Tax

Sales Tax applies to most retail sales of goods and some services in Minnesota. You may owe Use Tax on taxable goods and services used in Minnesota when no sales tax was paid at the time of purchase. We also administer a number of local sales taxes.

New Law Changes
See [2021 Sales and Use Tax Law Changes](#) to learn about new or expanded sales tax exemptions, June accelerated payment changes, and updated provisions for local sales and use taxes.

Top Tasks	[+]
File and Pay	[+]
Sales Tax	[+]
Local Sales Tax	[+]
Use Tax	[+]
Exemptions and Refunds	[+]
Remote Sellers	[+]
Education	[+]
Resources	[+]

Contact Info

EMAIL
Contact form

PHONE [+]
651-296-6181
800-657-3777

HOURS [+]

ADDRESS [+]

Last Updated

August 19, 2021

Sales and Use Tax



Sales Tax applies to most retail sales of goods and some services in Minnesota. You may owe Use Tax on taxable goods and services used in Minnesota when no sales tax was paid at the time of purchase. We also administer a number of local sales taxes.

Cannabis Tax

On May 30, 2023, a bill was signed to legalize the sale and use of recreational cannabis in Minnesota. Starting July 1, 2023, all sellers of taxable cannabis products must register with the Minnesota Department of Revenue to remit the new [Cannabis Tax](#).

Top Tasks

[+]

File and Pay

[+]

Sales Tax

[+]

Local Sales Tax

[-]

[Local Sales Tax Information](#)

[Transitional Period Sales](#)

[Local Sales Tax Notices](#)

[Starting a New Local Tax](#)

[Calculate Sales Tax Rate](#)

Contact Info

EMAIL

[Contact form](#)

PHONE [+]

651-296-6181
800-657-3777

HOURS [+]

ADDRESS [+]

Last Updated

June 21, 2023



Funding Minnesota's Future



Individuals

Resources for families and individuals



Businesses

Resources and information for businesses



Tax Professionals

Resources for tax professionals and software providers



Governments

Resources for state agencies and local governments

I need to...

[Check My Refund](#)

[Log in to e-Services](#)

[Calculate Sales Tax](#)

[Make a Payment](#)

[Register for a Tax ID](#)

[Find a Form](#)

Sales Tax Rate Calculator

Use this calculator to find the general state and local sales tax rate for any location in Minnesota.

The results do not include special local taxes—such as admissions, entertainment, liquor, lodging, and restaurant taxes—that may also apply. For more information, see [Local Sales Tax Information](#).

Note: Changes to the sales and use tax rates are published about 30 days before they begin.

Find a Sales and Use Tax Rate

You can search by address, 9-digit ZIP code, or by searching on an interactive map. [Look up a ZIP code or verify an address](#) on the U.S. Postal Service website.

Address	[+]
Zip+4	[+]
Map	[+]

Contact Info

EMAIL
Contact form

PHONE [+]
651-296-6181
800-657-3777

HOURS [+]

ADDRESS [+]

Related Content

Sales and Use Tax Information

Last Updated

July 25, 2023

Zip+4 [-]

Enter a nine-digit ZIP code.

ZIP CODE*

55146 - 6000

EFFECTIVE PERIOD

Apr-Jun 2025 ▼

DOLLAR AMOUNT

2500

Submit Reset

Results: The Sales Tax rate for 55146-6000 is **9.875%** (Apr-Jun 2025).

MN State = 6.875% ; Ramsey County Transit = 0.500% ; St. Paul = 1.500% ; Metro Area Transportation = 0.750% ; Metro Area Tax for Housing = 0.250%.

The tax on 2500 is **\$246.88**.

Address



Enter an address.

ADDRESS*

600 N Robert St

ADDRESS 2

CITY*

St. Paul

STATE: MN

EFFECTIVE PERIOD

Apr-Jun 2025

DOLLAR AMOUNT

2500

Submit

Reset

Results: The Sales Tax rate for 600 N Robert St, St Paul 55146-6000 is 9.875% (Apr-Jun 2025).

MN State = 6.875% ; Ramsey County Transit = 0.500% ; St. Paul = 1.500% ; Metro Area Transportation = 0.750% ; Metro Area Tax for Housing = 0.250%.

The tax on 2500 is \$246.88.

Find the Rate

Address Search:
600 Robert St N, Saint Paul, MN, 55146, USA

Effective Period:
Apr-Jun 2025

Calculate the Rate

Dollar Amount
0.00

x
Rate
9.875%

Reset Calculator Calculate

Sales Tax Results

Address Returned: 600 Robert St N, Saint Paul, Minnesota, 55146

Local General Sales & Use Tax Rates	
Total Sales Tax Rate:	9.875%
State Tax:	6.875%
County Tax:	0.5%, Ramsey County Transit
City Tax:	1.5%, St. Paul City
Other Tax:	None
Other Local Tax 1:	None
Other Local Tax 2:	None
Other Local Tax 3:	0.75%, Metro Area Transportation
Other Local Tax 4:	0.25%, Metro Area Tax for Housing


Reset Address Download Results

Special Local Taxes

This result does not include special local taxes (lodging, entertainment, liquor, admissions, and restaurant taxes). If special local taxes apply, add them to the rate provided above.

[Fact Sheet 164S, Special Local Taxes](#)
[Fact Sheet 164M, Minneapolis Special Local Taxes](#)

Sales Tax Rate Spreadsheet

	A	B	C	D	E	F	G	H
1								Updated: 1/23/2025
2								
3								
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22								
23								

Look Up a Minnesota Tax Rate
Use this spreadsheet to determine the tax rate for sales and purchases made in Minnesota.

ZIP Code	Applicable Local Taxes	Rate 01/01/25
551012228	State, Ramsey Transit, St. Paul, Metro Area Tax for Housing, Metro Area Transportation	9.875%

How to Use This Spreadsheet
We update this spreadsheet quarterly. Be sure to use the right version for the date of the sale or purchase to find the correct sales tax rate.

1. Enter a nine-digit ZIP code in the left column (above). Do not enter any dashes. You must use a valid, nine-digit ZIP code. [Find a ZIP code based on mailing address](#) (U.S. Postal Service website).
2. Press the Return key.
3. The tool will list the local taxes that apply and resulting tax rate.

Note: You may also need to add special local taxes to this rate; see below for details.

Special Local Taxes
This spreadsheet does not include any special local taxes (lodging, entertainment, liquor, admissions, or restaurant taxes). If any special local taxes apply, you must also add them to the rate. For details, see:

- [Local Sales and Use Tax Guide](#)
- [Special Local Taxes](#)

Sales Tax API (Application Program Interface)

[Subscribe to Sales Tax API email updates.](#)

The Minnesota Department of Revenue offers a Sales Tax Application Program Interface (Sales Tax API) that connects an online retailer's sales site and Minnesota's sales tax rate information, using a nine-digit ZIP code.

Why use the Sales Tax API?

The Sales Tax API is an efficient service that will automatically find the general state and local sales tax rate for any location in Minnesota for each of your sales transactions. You no longer need to do quarterly updates for rates and boundaries information when using the Sales Tax API.

The results do not include special local taxes—such as admissions, entertainment, liquor, lodging, and restaurant taxes—that may also apply. For more information, [see Local Sales Tax Information](#).

Who needs to register?

Part 2

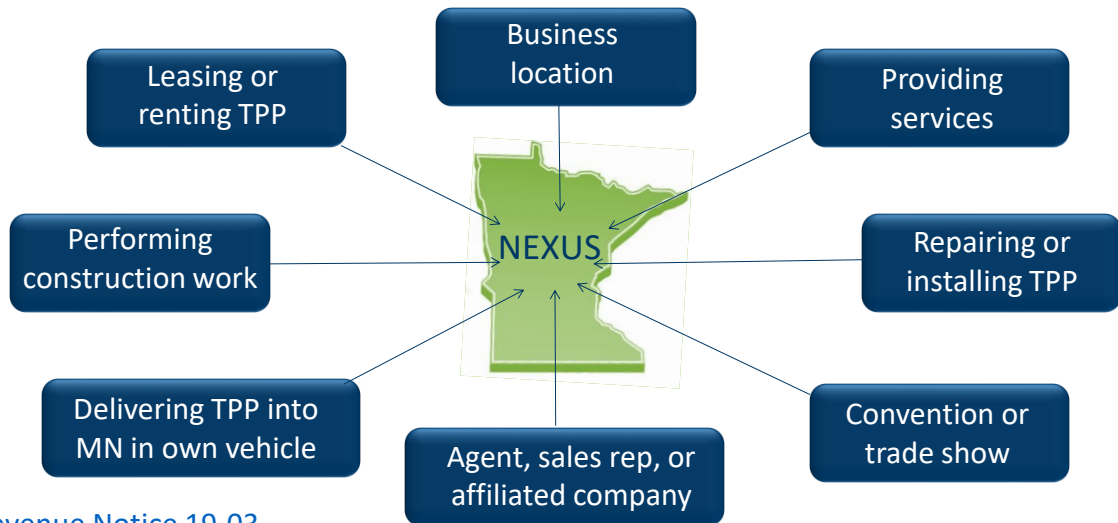
Who Needs to Register?

You must register in Minnesota if you:

- Have a taxable presence or nexus in Minnesota
- Remote sellers who exceed the Small Seller Exception
- Make purchases subject to use tax



Physical Presence or Nexus



Remote Sellers

A **remote seller** is any business that sells products into Minnesota without having a physical presence in Minnesota.

Examples:

- Internet Sellers
- Sales over the telephone
- Mail order/catalog companies

Small Seller Exception

The **Small Seller Exception** applies to remote sellers who do NOT meet either of the following thresholds in the previous 12 months:

- 200 or more retail sales shipped into Minnesota
- Retail sales shipped into Minnesota that total more than \$100,000

[Sales Tax for Remote Sellers](#)

Who is a Marketplace Provider?

A **Marketplace Provider** is any person, other than the seller, who facilitates a retail sale by:

- Listing or advertising the seller's products; and
- Processing the payments from the customer, either directly or indirectly through a third party

[Sales Tax for Marketplace Providers](#)

Sales Through Marketplace Providers

You only sell through a Marketplace

- If the Marketplace collects on your behalf, you do not need to register
- If the Marketplace does not collect sales tax on your behalf, you must register and collect the tax unless you meet the Small Seller Exception

Sales Through Marketplace Providers

You sell through a Marketplace, your own website, and through other sources

- If all retail sales into Minnesota combined exceed the Small Seller Exception, you must collect and remit tax for all sales not reported by the Marketplace

How do I register?

Part 3

Minnesota Tax ID Number

- Minnesota Department of Revenue's Business Center
 - Register online ([e-Services](#))
 - Register by phone (651-282-5225 or 1-800-657-3605)
- Streamlined Sales Tax Registration System (SSTRS) [Streamlined Sales Tax Registration System](#)
- Certified Service Provider (CSP) [Certified Service Providers](#)



Registering for New Local Taxes

- Automatic registration for those with ZIP Codes in the local taxing jurisdiction
- Online through e-Services
- Phone

Enter Taxable Sales and Purchases

Training

Enter the taxable amount of gross receipts in the Amount column for each location and line, then select **Next**.

< Page 1 of 1 > Filter

Location	Line	Tax Type	Rate	Amount	Tax Due
✕ 001	100	General Rate Sales Tax	6.875%	0.00	0.00
✕ 001	200	Use Tax Purchases	6.875%	0.00	0.00
✕ 001	210	Variable Rate Purchases	Varies	0.00	0.00
✕ 001	392	Metro Area Sales Tax for Housing	0.25%	0.00	0.00
✕ 001	393	Metro Area Use Tax for Housing	0.25%	0.00	0.00
✕ 001	394	Metro Area Transportation Sales Tax	0.75%	0.00	0.00
✕ 001	395	Metro Area Transportation Use Tax	0.75%	0.00	0.00
✕ 001	400	Minneapolis Sales	0.5%	0.00	0.00
✕ 001	405	Minneapolis Use	0.5%	0.00	0.00
✕ 001	430	Hennepin County Sales	0.15%	0.00	0.00
✕ 001	431	Hennepin County Use	0.15%	0.00	0.00
✕ 001	432	Hennepin County Transit Sales	0.50%	0.00	0.00
✕ 001	433	Hennepin County Transit Use	0.50%	0.00	0.00

< Page 1 of 1 >

To add a tax line, select the blank row.

Cancel

Save and Finish Later

< Previous

Next >

Recordkeeping

Part 4

Recordkeeping Basics

Use a recordkeeping system that:

- Incorporates Generally Accepted Accounting Principles (GAAP)
- Tracks the data you need
- Easy to maintain
- Works for your business



Recordkeeping Basics

Make sure that you:

- Record each transaction the same
- Do not mix personal and business transactions
- Do not mix business records, if you have more than one business
- Use the appropriate accounting method (cash or accrual)

Sales Documentation

You should retain documents that detail the following:

- Date of the transaction
- Description of the items
- Sales price
- Where the sale was sourced
- Sales tax collected
- Exemption certificate received

Purchase Documentation

Record this information:

- Date of purchase
- Invoice number
- Vendor's name
- Description of the items
- Taxable amount
- Amount of state and local sales or use tax paid



Resources

Are you looking for additional resources?



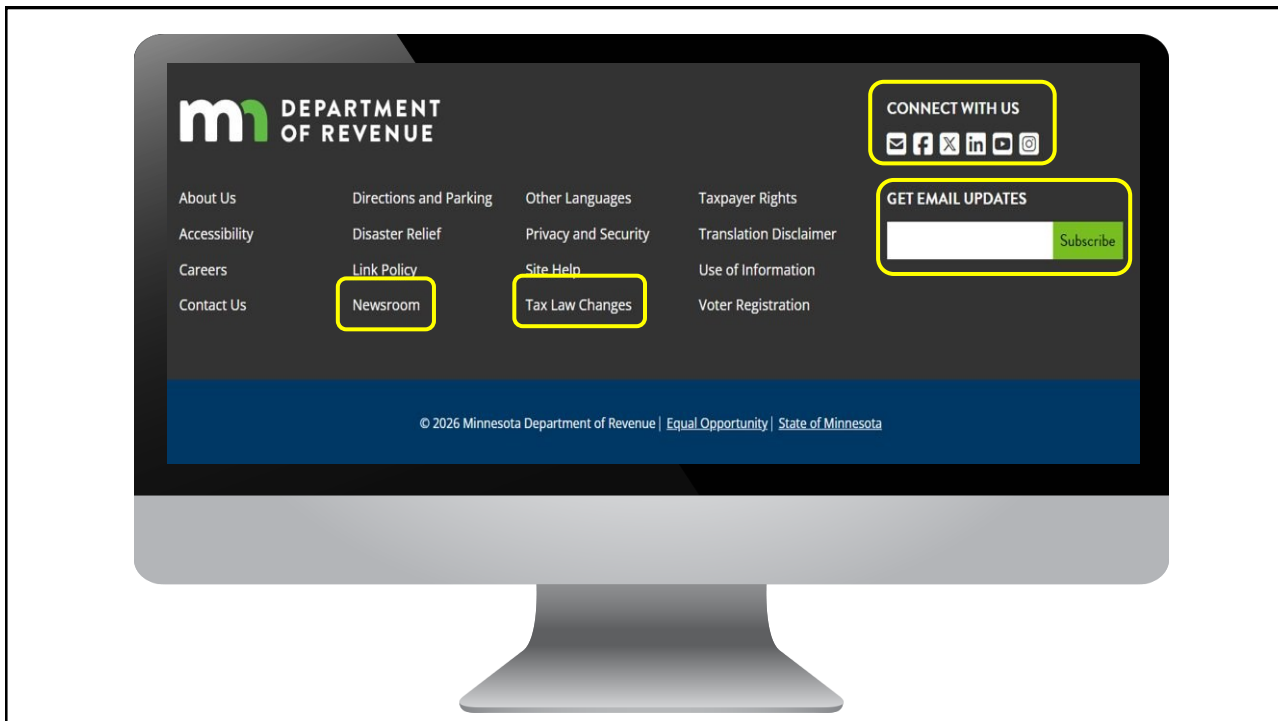
Visit our website at revenue.state.mn.us

Sales and Use Tax Contact Information

- Sales taxability questions
Email: salesuse.tech@state.mn.us
- Sales and Use Tax account questions
Email: salesuse.tax@state.mn.us
- Telephone assistance
Phone: 651-296-6181 or 1-800-657-3777 (toll free)



[Get Sales Tax Help](#)



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Course Review

During this course, we discussed...

- What taxes apply to the transaction based on where the sale is sourced
- New and recent changes to local sales and use taxes
- Who must register for, collect, and remit state and local taxes
- How to register for a local tax using e-Services
- The documentation necessary for sales and use tax records
- Resources that answer sales and use tax questions



Thank you!

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