

MINNESOTA · REVENUE

Rochester Lodging Sales Tax Rate increase to 7 Percent

The Rochester Lodging tax rate is increasing to 7 percent, effective Jan. 1, 2014. From that date on, you must charge 7 percent on all sales of lodging and lodging-related services. (The previous rate was 4 percent.)

Lodging is the rental of a room or rooms for:

- less than 30 days; or
- 30 days or more, if there is no enforceable written agreement that requires the guest to give notice of intent to terminate.

“Lodging-related services” are provided within a guest room by a hotel, motel, rooming house, tourist court, resort, or other similar establishment. These services are associated with the use of the lodging facility and billed by the facility. Examples include:

- Pay-per-view in-room movies
- Room service
- Room minibars

Who must be registered

All hotels and lodging facilities making sales in Rochester must register for Rochester lodging tax. (If you're already registered for this tax, you don't need to do it again.)

Registering for the tax

If you file Sales and Use Tax returns online, you can register for this tax either before or when you file a January 2014 return.

To register before you file:

1. Log in to e-Services and access your Sales and Use Tax account.
2. Click the “Account Information” tab.
3. To edit locations, click “Sales Locations.”
4. In the “Existing Locations” list, click the “Location Code” number for the location you wish to edit.
5. Click “Click Here to Edit Local Information.”
6. Click the check box for Rochester Lodging tax and select Jan. 1, 2014.
7. Click “OK.” Click “Submit.”

To register when you file:

1. In the “Enter Taxable Sales and Purchases” table or screen, click in the last row in the Tax Type column.
2. A drop-down menu will become active; use it to select Rochester Lodging. This will add a row for the tax.
3. If you have multiple locations, type in the appropriate location number. (If you are a single location filer, it will assume you want to add this for location “001.”)

4. Enter an amount in the local tax line you added. Next time you file, this line will automatically appear in your return.

If you file by phone: You must register for this tax before you file your return. To register, call 651-282-5225 or email us at salesuse.tax@state.mn.us. If you send an email, include your Minnesota tax ID number.

Reporting the tax

Report the Rochester Lodging tax when you report your Minnesota Sales and Use Tax. Each tax is reported on a separate line of your return.

Calculating the tax

To calculate the total tax due on a purchase:

1. Add the 6.875 percent state sales tax rate and the 7 percent Rochester Lodging tax rate.
2. Add any other local taxes that apply.
3. Apply the combined 13.875 percent rate (plus other local taxes) to the sales price.
4. Round the total to the nearest full cent.

You can download a 13.875 percent rate chart from our website or call us to request a paper rate chart.

Exemption certificates

If your customer gives you a fully completed exemption certificate for state sales tax, also use that certificate as proof of exemption from the Rochester Lodging tax.

Local governments

Local governments are required to pay Rochester Lodging tax. (They generally must pay local special taxes in Minnesota, but not local general taxes.)

Local governments include cities, towns, counties, instrumentalities, political subdivisions, commissions, special districts and government boards.

Information and assistance

Phone: 651-296-6181

Toll-free: 1-800-657-3777

Fax: 651-556-3102

Email: salesuse.tax@state.mn.us

Write: Minnesota Revenue
Sales and Use Tax Division
Mail Station 6330
St. Paul, MN 55146-6330

Or visit our website at www.revenue.state.mn.