



Minnesota sales tax guide

Standard rate:

6,875 % – 8,375 %

Reduced rate:

–

Sales tax-free products and services:

- Advertising materials;
- Air cooling equipment;
- Airflight equipment and parts;
- Baby products;
- Clothing;
- And others.

Who is obliged to register sales tax:

When you sell in Minnesota and qualify as a dealer under the definition and meet the threshold, you need to be registered to collect and pay sales tax in Minnesota.

Threshold:

Starting October 1, 2019, out-of-state dealers with sufficient physical or economic presence for establishing nexus in Minnesota must register to collect sales tax. This includes online sellers or remote sellers that have \$100,000 in sales annually in the state, or 200 or more retail sales shipped to Minnesota in a 12-month period.

[Merchant thresholds by state](#)

[Marketplace thresholds by state](#)

The special rules are applicable for the SAAS business.

[Software as Service Tax Thresholds by state](#)



www.vatcompliance.co

Marketplace:

If the marketplace seller is registered in-state for their sales, and the marketplace facilitator collects and pays the sales tax itself, the marketplace seller is exempt from sales tax.

But marketplace sellers must receive a statement from a facilitator.

Provide a copy of your Minnesota registration to collect sales and use tax to the marketplace provider. Enter into an agreement with the marketplace provider that you will collect and remit sales and use taxes on the sales you make through the marketplace.

Registration procedure:

You can be registered online on the Minnesota Department of Revenue website.

Sales tax payment and filing date:

Depending on your tax liability, determine your filing frequency – either annual, monthly, or quarterly:

Annual – \$0.00 to \$99.990

Quarterly – \$100.00 to \$500.00

Monthly – \$500.01 and up

Returns are always due on the 20th of the month following the reporting period, and on February 5 of the following year (for the annual filing). If the filing due date falls on a weekend or holiday, tax is due the next business day.

Penalty and interest:

- The late filing penalty is 5%
- Late paying – 5-15%.

Discount:



www.vatcompliance.co