Books by Kelly, LLC

2018 Tax Organizer

Minnesota Use Tax

Use tax is the counterpart of sales tax. You owe use tax when Minnesota sales tax is not charged on taxable items you buy, whether you buy them in Minnesota or outside the state.

For example, if you travel to another state or country and bring back items that are normally taxed in Minnesota, you owe use tax on those purchases. The same applies if you buy taxable items through mail-order catalogs or the Internet and Minnesota sales tax is not charged on the purchase.

Use tax does not apply to items currently tax exempt in Minnesota, such as clothing, prescription drugs for humans and most groceries.

Minnesota's use tax rate is the same as the state sales tax rate. If you live in an area with one or more local use taxes, you owe local use tax on your purchases as well.

Tax Paid to Another State: Minnesota allows a credit for state or local sales tax legally required to be paid to another state or locality. When you buy items outside Minnesota the seller may be required to charge you that state's state & local sales tax if you pick up the items there, however, you still owe use tax to Minnesota if the other state's sales tax rate is less than Minnesota's general sales tax rate. You pay the difference in the two states. For example, if you go to South Dakota to purchase items, the sales tax rate in Minnesota is 6.875%, you will owe .875% use tax on the items purchased.

Use the table below to list your purchases or check here if no purchases were made requiring Use Tax. ❑

Description of Item Purchased	Purchase Date	Purchase Price