



This Week in State Tax (TWIST)

February 13, 2023



to listen to the
podcast please
[click here.](#)

Minnesota: Retail Delivery Fee Legislation Proposed

Beginning last year, Colorado imposes a retail delivery fee on all deliveries by motor vehicle to a location in Colorado with at least one item of tangible personal property subject to state sales or use tax. The fee is currently 0.27 cents. A bill proposed recently in Minnesota would impose a similar fee. Specifically, House File 580 would require a retailer who makes a retail delivery to add to the price a \$ 0.40 retail delivery fee effective January 1, 2024. The fee would increase to \$0.45 beginning July 1, 2025, and to \$0.50 on July 1, 2027.

“Retail delivery” would be defined as a retail sale of tangible personal property by a retailer for delivery by a motor vehicle to the purchaser at a location in Minnesota in which the sale contains at least one item of tangible personal property that is subject to taxation. The fee would also be imposed on deliveries of clothing, notwithstanding the fact that Minnesota generally exempts clothing from sales and use tax. For purposes of the fee, a retailer would include an in-state retailer, as well as a remote seller and a marketplace facilitator. The bill specifies that the retail delivery fee would be excluded from the sales price for purposes of calculating the sales tax due. The revenues generated from the fee would be allocated to certain highway use and transit funds. Please stay tuned to TWIST for updates on House File 580.



For more news and insights on tax developments, follow KPMG’s U.S. Tax practice on Twitter – [@KPMGUS_Tax](#).

kpmg.com/socialmedia

