



# This Week in State Tax (TWIST)

March 13, 2023



MINNESOTA



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## Minnesota: Additional Marketplace Provider Information Posted

The Minnesota Department of Revenue recently updated its website to post additional information on marketplace providers. As a reminder, since October 1, 2019, an out-of-state marketplace provider has been required to collect and remit Minnesota state and local sales tax if its total sales (including facilitated sales) over the prior 12-month period totaled either 200 or more retail sales shipped to Minnesota, or more than \$100,000 in retail sales shipped to Minnesota. The threshold includes all of a marketplace provider's direct sales and facilitated sales, but excludes sales for resale. Some of the guidance reiterates the statute, such as noting that a marketplace provider is not required to collect sales tax when the seller has provided the marketplace a copy of the seller's Minnesota sales tax registration and there is an agreement between the seller and the marketplace that the seller will collect tax. The Department confirms that foreign marketplaces are subject to the marketplace provider collection requirements and that marketplace providers that facilitate sales for foreign sellers are required to collect on the foreign seller's behalf. The guidance also addresses marketplace provider return filing requirements as well as recordkeeping requirements and confirms that marketplace providers are retailers subject to sales tax audits as with any other businesses. In addition to general and local sales taxes, the guidance notes a marketplace provider may be required to collect additional taxes and fees including, but not limited to, the Liquor Gross Receipts Tax and Prepaid Wireless E911 and Telecommunications Access Minnesota (TAM) Fees. Please stay tuned to TWIST for additional marketplace updates.



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