

Minnesota Sales and Use Tax Frequently Asked Questions

QUESTION: Do I really have to file this form?

ANSWER: Yes. Rest assured, we have sent this out to you for a reason. Every business in the State of Minnesota needs to file this Sales and Use Tax return. (Even if you have zero tax due) **Don't be confused by the Sales Tax portion of this form if it does not apply to you. The USE TAX may apply.**

QUESTION: I do not collect sales tax, do I still need to file?

ANSWER: Yes, you would file a "Zero" for the tax liability on sales tax. You may still owe USE TAX. Please read the information we provided to determine if you owe any USE TAX.

QUESTION: How do I fill out a "Zero" Sales and Use tax return?

ANSWER: This is very easy – All you need to do is to fill in your Gross Business Income on the line asking for Gross Receipts. This would be the total income for your business. If you have no taxable sales, you would enter "0" for the rest of the form and submit. **Please refer to the printout provided titled "MN Online Tax Directions" for the exact steps.**

QUESTION: Do I owe tax? Is this a tax I have not paid?

ANSWER: If you do not collect sales tax, chances are you do not owe sales tax. HOWEVER, you may owe USE Tax if you have made purchases where you did not pay any sales tax.

QUESTION: Do I really have to pay a tax?

ANSWER: YES -- If you owe it. You will need to read about USE tax to see if you will need to pay this tax. The State of Minnesota currently has an audit program that started in 2005 to audit all businesses in Minnesota for Sales and Use Tax. **YOU NEED TO BE FAMILIAR WITH THIS TAX.**

QUESTION: I went to file this return and it said I have an overdue return?

ANSWER: If you go to file your 2011 MN Sales & Use Tax Return and you get a message about you having an overdue return, this means you have not filed your 2010 or prior year Sales & Use tax return. You will need to file this 2010 form (or any unfilled returns) along with your 2011 return.

QUESTION: I see on the instruction that if I did not purchase more than \$770 over the Internet, I am exempt. Is that true?

ANSWER: No. That exemption is only for purchases used for personal use, not business use. Businesses have no exemption.

QUESTION: I am not a corporation, do I still need to file?

ANSWER: YES. All businesses need to file this form.