

# MINNESOTA · REVENUE

## Brown County 0.5 Percent Transit Sales and Use Tax

Starting April 1, 2016, Brown County will have a 0.5 percent transit sales and use tax. The Minnesota Department of Revenue will administer this tax. Revenues will fund the surface rehabilitation on CSAH 29 from trunk Highway 4 to CSAH12 as identified in Resolution 2015-28.

This 0.5 percent Brown County transit sales tax applies to retail sales made within Brown County. The transit use tax applies to taxable items used in the County if the local sales tax was not paid.

For more information about local taxes, see Fact Sheet 164, Local Sales and Use Taxes. It is available on our website, [www.revenue.state.mn.us](http://www.revenue.state.mn.us).

### Who must register

All retailers who are doing business in Brown County and are registered for Minnesota sales tax. This includes sellers outside Brown County if they do any of the following:

- Have an office, distribution, sales, sample or warehouse locations, or other place of business in Brown County, either directly or by a subsidiary.
- Have a representative, agent, salesperson, canvasser, or solicitor in Brown County, either on a permanent or temporary basis.

This includes anyone, who operates under the authority of the retailer or its subsidiary for any purpose. Examples include repairing, selling, installing, or soliciting orders for the retailer's taxable goods or services, or leasing tangible personal property in Brown County.

- Ship or deliver tangible personal property into Brown County.
- Perform taxable services in Brown County.

### Registering for the tax

If you file Sales and Use Tax returns online, you can register for this tax either before or when you file your April 2016 return.

#### To register before you file:

1. Log in to e-Services and access your Sales and Use Tax account.
2. Click the "Account Information" tab.
3. To edit locations, click "Sales Locations" under "Additional Information".
4. In the "Existing Locations" list, click the "Location Code" number for the location you wish to edit.

5. Click "Edit Location" at the bottom of the page. If the General Information and the NAICS code are correct, click the "Next" button to proceed to the next screen.
6. If the address information is correct, click the "Next" button to proceed to the next screen. Click "Next" again to proceed to the list of local sales taxes.
7. Click the check box for "Brown County transit sales" and "Brown County transit use" Click "Next"
8. Review the page to verify that the new local tax is listed under Local sales and Other Taxes – Adding "Brown County transit sales" and "Brown County transit use". Then click "Submit."
9. Review the "Confirmation Summary," Print, and Close.

#### To register when you file:

You can add a local tax when filing a return:

1. Select the dropdown arrow next to the blank row on the return.
2. Select the local tax that you need to add.
3. Enter the dollar amount for this local tax.

The new tax will be on your return the next time you file.

**If you file by phone:** You must register for this tax before you file your return. To register, call 651-282-5225 or email us at [salesuse.tax@state.mn.us](mailto:salesuse.tax@state.mn.us). If you send an email, include your Minnesota tax ID number.

### Reporting the tax

Report the Brown County transit sales and use tax when you report your Minnesota Sales and Use tax. Each tax is reported on a separate line of your return. Brown County transit sales tax is line number 576; Brown County transit use tax is line number 577.

### Use tax

Brown County transit use tax applies when you are located in the County and you buy items or services without paying the Brown County transit sales tax.

Use tax is similar to sales tax and the rates are identical. It is based on your cost of taxable purchases. Common examples of when you owe use tax are when you:

- Buy items on the Internet, by phone, or from any business for use in Brown County and the seller doesn't charge the local tax.
- Buy items for resale at your business in Brown County, and then remove some of the items from inventory for business or personal use.

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### Calculating the tax

To calculate the total tax due on a purchase:

1. Add the 6.875 percent state sales tax rate and the 0.5 percent Brown County transit rate.
2. Apply the combined 7.375 percent rate, plus any other local taxes that apply, to the sales price.
3. Round the total to the nearest full cent.

You can download a 7.375 percent rate chart from our website or call us to request a paper rate chart.

### When to charge the tax

Charge the Brown County transit sales tax when customers buy taxable items or services in the county, unless they give you a valid exemption certificate.

The tax applies to purchases for business or personal use, even if the customer is from elsewhere or takes the items out of Brown County.

### Exemption certificates

If a customer gives you a fully completed exemption certificate for state sales tax, also use that certificate as proof of exemption from the Brown County transit sales and use tax.

### Local governments

Local governments are not required to pay the Brown County transit sales and use tax (or other local general sales taxes). No exemption certificate is necessary. But state sales tax may apply.

### Handling Transitional Sales

Brown County transit sales and use tax applies to sales on or after April 1, 2016, But the tax does not apply to the following:

- Lease payments for tangible personal property and motor vehicles that include periods before April 1, 2016. (The tax does apply to payments for periods that begin on or after that date.)

- The purchase of tangible personal property ordered before April 1, 2016, if the transfer of title or possession is prior to that date.
- The purchase of taxable services, including utility services, if the billing period includes charges for services furnished before and after April 1, 2016, (But the tax does apply if the billing period begins with services furnished on or after that date.)
- The purchase of admission tickets if they are paid for before April 1, 2016, even if the event occurs after that date.
- The purchase of construction materials used to complete a lump sum or fixed price construction contract that was signed and enforceable before April 1, 2016, but only if all the following are true:
  - The contract does not provide for an allocation of future taxes.
  - The materials are used exclusively in performing the contract.
  - The materials are delivered before October 1, 2016.

### Information and Assistance

Call: 651-296-6181 or toll-free 1-800-657-3777

Fax: 651-556-3102

Email: [salesuse.tax@state.mn.us](mailto:salesuse.tax@state.mn.us)

Write: Minnesota Revenue  
Sales and Use Tax Division  
Mail Station 6330  
St. Paul, MN 55146-6330

Or visit our website at [www.revenue.state.mn.us](http://www.revenue.state.mn.us)