

Marshall 1.5% Food and Beverage Tax

www.revenue.state.mn.us

Beginning July 1, 2013, the city of Marshall will have a 1.5 percent Food and Beverage tax that will be administered by the Minnesota Department of Revenue. The proceeds will be used to fund the new and existing facilities of the Minnesota Emergency Response and Industry Training Center and the new and existing facilities of the Southwest Minnesota Regional Amateur Sports Center.

Food and Beverage tax

The 1.5 percent Food and Beverage tax applies to sales of food and beverages by a restaurant or place of refreshment located within the city of Marshall, whether the food or beverages are for consumption on or off the premises. All sales of food that are subject to the Minnesota general sales tax are subject to the new 1.5 percent tax. All sales of beverages, including on-sale liquor and fermented malt beverages, that are subject to the Minnesota General sales tax are also subject to the new 1.5 percent tax. Off-sale liquor sales are not subject to the 1.5 percent tax.

“Restaurant or place of refreshment” means a building, structure, enclosure, or any part of a building, structure, or enclosure used as, maintained as, advertised as, or held out to be an operation that prepares, serves, or otherwise provides food or beverages, or both, for human consumption. This definition includes but is not limited to: fast food restaurants, sit down restaurants, pick-up or carry-out restaurants, delivery restaurants, drive in restaurants, drive-thru restaurants, cafes, tea rooms, delis, bars, saloons, clubs, pubs, coffee houses, dance clubs, teen centers, concession stands, sidewalk vendors, and any combination thereof.

Fact Sheet 164S, Special Local Taxes, contains more information about local taxes and is available on our website.

Who must be registered

All restaurants and places of refreshment, including on-sale retail liquor establishments, making sales in the city of Marshall must register for the Marshall Food and Beverage tax.

Registering for the tax

- Access your e-Services Sales and Use tax account. Click the “Account Information” tab. To edit locations, click “Sales Locations.” In the “Existing Locations” list, click the “Location Code” number for the location you wish to edit.

Click “Click Here to Edit Local Information.”

Click the check box for Marshall Food/Beverage” under “Marshall sales and use” and select July 1, 2013 using the calendar date selector feature. Click “OK.” Click “Submit.”

- If you file over the internet, you may register the Marshall Food and Beverage when you file your July 2013 sales and use tax return (before you enter the figure). Once you are at the “Enter Taxable Sales and Purchases” table (single location filer) or screen (multiple location filer), click in the last row in the Tax Type column. A drop-down menu will become active. Use the tax type drop-down box and select Marshall Food and Beverage. If you are a single location filer, it will assume that you want to add this for location “001.” If you have multiple locations, type in the appropriate location number. Enter an amount in the local tax line you added. During processing, the department will add Marshall Food and Beverage to your registration for this location and it should appear on future returns.
- If you file by phone, you must register for the Marshall Food and Beverage tax before you file your sales and use tax return. Call 651-282-5225 or email us at salesuse.tax@state.mn.us to register. Be sure to include your MN tax ID number if you send an email.

Marshall Food and Beverage tax is reported at the same time you report your Minnesota sales and use tax, but the figures are reported on separate lines.

Calculating the tax

To calculate the tax, combine the state sales tax rate (currently 6.875 percent), the Marshall local sales tax rate (0.5 percent) and the Marshall Food and Beverage tax rate (1.5 percent) and apply the combined rate (8.875 percent) to the sales price and round to the nearest full cent. An 8.875 percent rate chart is available on our website. Paper rate charts are available upon request.

Exemption certificates

If your customer gives you a fully completed exemption certificate for state sales tax, also use that certificate as proof of exemption from the Marshall sales taxes.

Local governments

Local governments are not required to pay **local general sales taxes** imposed by their own or other local governments in Minnesota. Local governments include cities, towns, counties, instrumentalities, political subdivisions, commissions, special districts and government boards. No exemption certificate is necessary. However, state sales tax generally applies. **Local governments are generally required to pay special local taxes** imposed by their own or other local governments in Minnesota. Local governments are required to pay the Marshall Food and Beverage tax.

Information and assistance

Call: 651-296-6181 or
1-800-657-3777
Fax: 651-556-3102
E-mail: 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