

North Mankato Food and Beverage Tax 0.5%

The city of North Mankato imposes a 0.5% Food and Beverage Tax. Starting April 1, 2020, this special tax is administered by the Minnesota Department of Revenue.

The proceeds will be used to fund projects authorized by Laws of Minnesota 2019, First Special Session, Chapter 6, Article 6, Section 23 and are imposed by amending Chapter 34 to create section 34.60 of the City of North Mankato Ordinance 118, Fourth Series.

Food and Beverage tax

The 0.5% North Mankato Food and Beverage tax applies to food and beverages sold in the city of North Mankato by a restaurant or place of refreshment, whether the food or beverages are for consumption on or off the premises. All sales of food and beverages, including on-sale liquor and fermented malt beverages that are subject to the Minnesota General state rate sales and use tax, are subject to the 0.5% North Mankato Food and Beverage tax.

Off-sale liquor sales are not subject to the 0.5% North Mankato Food and Beverage tax.

Restaurant or Place of Refreshment

Restaurant

Restaurant is defined as a business that sells unpackaged food to the customer in a ready-to-consume state, in individual servings, where the customer consumes these foods in the building, picks up the food from the building to consume elsewhere, or the food is delivered to the customer by employees of the restaurant and establishments. If liquor is served in the establishment as defined in Chapter 111: Alcoholic Beverages in the North Mankato City Code. Kitchen facilities shall be capable of servicing the permitted occupancy. This definition includes, but is not limited to: fast-food restaurants, sit down restaurants, pick-up or carry-out restaurants, and delivery restaurants, drive-in restaurants, drive-thru restaurants, cafes, tea rooms, delis, sidewalk vendors, coffee houses, clubs and any combination thereof. May also be referred to as an eating establishment.

Place of Refreshment

Place of refreshment is defined as any premise or location where alcoholic beverages, non-alcoholic beverages, or food items are sold at retail for consumption at or near the premise or location. This definition includes but is not limited to bars, saloons, clubs, pubs, taprooms, coffee houses, dance clubs, teen centers, concession stands, sidewalk vendors, movie theaters and any combination thereof.

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Who Must Register and Collect the Tax

All restaurants and places of refreshment making sales located within the city of North Mankato must register and collect the 0.5% North Mankato Food and Beverage Tax. If you are already registered for this tax, you do not need to register again.

Registering for the Tax

If you file Sales and Use Tax returns online, you can register for this tax before the start date, or when you file the food and beverage tax collected beginning April 1, 2020.

To Register Before You File

1. Log in to e-Services and access your Sales and Use Tax account.
2. In the I Want To section, select **Manage locations**.
3. In the Existing Sales Locations list select the **Location Code number** for the location you want to edit.
4. Select the **Edit Location** button at the bottom of the page. If the General Information and the NAICS code are correct, select **Next**.
5. If the address information is correct, select **Next**.
6. Select the check box for North Mankato Food and Beverage tax. Select the **Next** button.
7. Select **Next** if you do not need to add any Local Sales Taxes.
8. Review this page to verify the section titled Local Sales and Other Taxes – verify the North Mankato Food and Beverage Tax is listed. If the new tax is listed, select the **Submit** button.
9. Review the Confirmation Summary. You can then select **Close**.

To Register When You File

You can add a local tax when filing a return:

1. Select the link **Add a Tax Line** at the bottom of the return.
2. From the Tax Type Column, select the dropdown menu to select the local tax you need to add.
3. Enter the taxable dollar amount for the 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. If you send an email, include your Minnesota Tax ID Number.

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Reporting the Tax

Report the North Mankato Food and Beverage tax when you report your Minnesota Sales and Use Tax. Each tax is reported on a separate line of your return. North Mankato Food and Beverage tax is line number 660.

Calculating the Tax

To calculate the tax:

1. Add the Minnesota General State sales and use tax rate to the 0.5% North Mankato Food and Beverage tax.
2. Add all other local taxes that apply.
3. Apply the combined rate to the sales prices. For more information see Fact Sheet 164S, *Special Local Taxes*.
4. Round the total to the nearest full cent.

Exemption Certificates

If a customer gives you a completed exemption certificate for state sales tax, also use that certificate as proof of exemption from the North Mankato Food and Beverage tax.

Local Governments

Local governments are required to pay the North Mankato Food and Beverage tax. Generally local governments must pay local special taxes in Minnesota, but not general local taxes.

Local governments include cities, towns, counties, instrumentalities, political subdivisions, commissions, special districts, and government boards.

Information and Assistance

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

Fax: 651-556-3102

Email: salesuse.tax@state.mn.us

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

Visit our website at www.revenue.state.mn.us