

HOUSE RESEARCH

Bill Summary

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Authors: Kohls and others

Subject: Allowing a sales tax exemption for occasional sales at flea markets

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Overview

The law currently provides that a person making isolated or occasional sales, outside of the normal course of business does not have to collect sales tax. However, anyone making sales at a flea market, craft fair, or similar event is required to get a seller's permit and collect and remit taxes. This bill would allow an isolated and occasional sales exemption for persons making sales at such events under limited circumstances.

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- 1 **Seller's permit or alternative statement.** Expands the alternatives of documentation that a organizer of a flea market or similar event must obtain from all sellers at an event to include a written statement that the seller meets the requirements for the isolated and occasional sales exemption allowed in section 0. The written statement must contain the seller's name, address, and telephone number. Effective for selling events occurring after June 30, 2005.
- 2 **Occasional sales provisions applicable under limited circumstances.** Allows a seller at a flea market or other similar event to qualify for the isolated and occasional sales exemption in current law for persons not engaged in business provided that:
 - the seller participates in only one event per calendar year and for no more than three days;
 - the seller makes sales of \$500 or less during the event; and

Section

- the seller provides a written statement to that effect to the organizer of the event.

The isolated and occasional sales provision for business continues to be disallowed for sales at these events. Effective for selling events occurring after June 30, 2005.