



# Minnesota Management & Budget Statewide Operating Policy

Minnesota Management and Budget, Vendor Payments Unit  
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## Requesting a Refund of Sales Tax Paid

### Objective

In some instances, an agency may have overpaid state and/or local sales taxes. Examples of this are:

- An agency receives a credit memo for items returned to the vendor after the agency has processed the payment.
- An agency determines that state and/or local sales taxes were calculated by SWIFT for a purchase that should have been checked as nontaxable (e.g., purchases for resale).
- An agency purchased an item that should be taxed at a reduced rate (e.g., certain purchases for farming, production). In these instances, the agency must pay the regular state and local tax rate and request a refund for the amount that was overpaid.

### General Procedures

Step	Action	Responsible Party	Timeline
1.	Complete the "Request for Refund of Sales Tax" form, 0807-01.1, and email to <a href="mailto:syscomp.MMB@state.mn.us">syscomp.MMB@state.mn.us</a> . Include a brief explanation of the reason for the refund.	Agency	As Needed
2.	Request refunds of sales tax before year-end close. After close, refunds will be credited to the current year.	Agency	N/A
3.	Review the request and create an AP journal voucher for the agency using the XEXECORRECT vendor ID. MMB will notify the agency when the voucher is ready for approval.	MMB System Compliance	As Needed
4.	Approve AP journal voucher.	Agency	As Needed
5.	Refunds will reduce the amount due on the next tax return filed with DOR and reduce the expense to the agency.	MMB System Compliance	N/A

### Related Policies and Procedures

[MMB Statewide Operating Policy 0807-01 State Taxes on State Agency Payments](http://mn.gov/mmb-stat/documents/accounting/fin-policies/chapter-8/0807-01-agency-sales-tax-policy.pdf) (<http://mn.gov/mmb-stat/documents/accounting/fin-policies/chapter-8/0807-01-agency-sales-tax-policy.pdf>)

[MMB Statewide Operating Procedure 0807-01.2 Processing a Payment for Sales Tax Due](http://mn.gov/mmb-stat/documents/accounting/fin-policies/chapter-8/0807-01-02-sales-tax-due-procedure.pdf) (<http://mn.gov/mmb-stat/documents/accounting/fin-policies/chapter-8/0807-01-02-sales-tax-due-procedure.pdf>)

## **Related Forms**

[MMB Statewide Operating Form 0807-01.1F Request for Refund of Sales Tax](http://mn.gov/mmb-stat/documents/accounting/forms/fi56302-sales-tax-refund.pdf) (<http://mn.gov/mmb-stat/documents/accounting/forms/fi56302-sales-tax-refund.pdf>)