



Minnesota Management & Budget Statewide Operating Policy

Minnesota Management and Budget, Vendor Payments Unit
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State Taxes on State Agency Payments

Objective

To process payments for state and local sales/use tax through Statewide Integrated Financial Tools (SWIFT) and remit accumulated taxes to the Department of Revenue (DOR).

Policy

The state of Minnesota is a direct pay entity for state and local sales/use tax; sales tax payments will not be made to vendors for goods or services. SWIFT will calculate the amount of sales and use tax due for taxable purchases made by state agencies. At the time the vendor is paid, the state and local taxes will be set up as liabilities in the following accounts:

Account	Description
220060	State Sales and Use Tax
220070	County Sales and Use Tax
220080	Local Sales and Use Tax
220090	Local Sales and Use Tax (Transit)

Important: Metro Area Housing Sales and Use Tax and Metro Area Transportation Sales and Use Tax use the same account code (220080) as Local Sales and Use Tax.

Monthly, the taxes will be reported and remitted to the Department of Revenue by Minnesota Management and Budget.

Tax codes are assigned to each taxing entity (e.g., tax code 0105 is Afton - Transit Imprv Tax); within each tax code is one or more tax authorities. The tax authorities identify the tax type, e.g., state, local or transit and the tax rate. A tax code report can be viewed in SWIFT by navigating to: Set-Up Financial Supply Chain > Common Definitions > Sales & Use Tax > Codes Report.

Related Policies and Procedure

[MMB Statewide Operating Procedure 0807-01.1 Requesting a Refund of Sales Tax Paid](http://mn.gov/mmb-stat/documents/accounting/fin-policies/chapter-8/0807-01-01-sales-tax-refund-procedure.docx)
(<http://mn.gov/mmb-stat/documents/accounting/fin-policies/chapter-8/0807-01-01-sales-tax-refund-procedure.docx>)

[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.docx)
(<http://mn.gov/mmb-stat/documents/accounting/fin-policies/chapter-8/0807-01-02-sales-tax-due-procedure.docx>)

[MMB Statewide Operating Policy 0602-09 Sales Taxes Collected by State Agencies](http://mn.gov/mmb-stat/documents/accounting/fin-policies/chapter-6/0602-09-sales-tax-collection-maps.pdf) (<http://mn.gov/mmb-stat/documents/accounting/fin-policies/chapter-6/0602-09-sales-tax-collection-maps.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>)