

# Selling Event Exhibitors and Operators

Sales Tax Fact Sheet 148

## What's New in 2017

We made the layout of this fact sheet easier to use.

Any business, individual, promoter, operator, or fair board making taxable sales at a flea market, collector's show, craft show, antique show, county fair, trade show, or similar event must be registered to collect the Minnesota general sales tax and any applicable local taxes before the event begins.

Certain individual sellers at a flea market or similar event are not required to register to collect sales tax if they qualify for the isolated and occasional sales exemption. To qualify, all of the following conditions must be met:

- The seller participates in only one event per calendar year that lasts no more than three days
- The seller makes sales of \$500 or less during the calendar year
- The seller provides a written statement to that effect, and includes the seller's name, address, and telephone number

This isolated and occasional sales provision applies to individuals only, it does not apply to businesses.

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## Sales tax registration

If you are not registered for sales and use tax, you must contact the Minnesota Department of Revenue and register to collect and report taxes. Call Business Registration at 651-282-5225 or 1-800-657-3605 (toll-free).

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## Operators of selling events

Minnesota law requires that before an operator of a craft show, art fair, flea market, or similar selling event can rent space to a seller at the event, the operator must have either proof that the seller is registered to collect Minnesota sales tax, a written statement from the seller that no taxable items are being sold, or a written statement from the seller indicating that they qualify for the isolated and occasional sales exemption mentioned above.

Sellers are required to give the operator a completed Form ST19, *Operator Certificate of Compliance*, or other similar written statement for this purpose. You can get Form ST19 on our website. Go to [www.state.mn.us](http://www.state.mn.us) and type **ST19** into the Search box.

Operators should keep the forms for at least three and a half years. Operators who do not have Form ST19 or a similar written statement from sellers, can be fined a penalty of \$100 for each seller that is not in compliance for each day of the selling event.

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## Sales

Sales of arts, crafts, antiques, collector items, and equipment are generally subject to the general state sales tax and any applicable local taxes.

Sellers should separately state the sales tax whenever possible. If the tax is included in the selling price, the item must be marked "tax included," or a sign posted indicating that tax is included in all prices.

Below are guidelines for items commonly sold at fairs and other selling events.

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Sales and Use Tax Division – Mail Station 6330 – St. Paul, MN 55146-6330  
Phone: 651-296-6181 or 1-800-657-3777  
Email: salesuse.tax@state.mn.us

This fact sheet is intended to help you become more familiar with Minnesota tax laws and your rights and responsibilities under the laws. Nothing in this fact sheet supersedes, alters, or otherwise changes any provisions of the tax law, administrative rules, court decisions, or revenue notices. Alternative formats available upon request.

## **Admissions**

### **Entertainment events**

Admission tickets to county fairs and other entertainment or sporting events such as grandstand shows, horse shows, and auto races are taxable.

### **Selling events**

Admission tickets to flea markets, antique shows, and similar selling events are not taxable.

### **Entry fees**

Entry fees to participate in a competitive event are not taxable unless they are for a normally taxable admission or use of an amusement device. For example, entry fees to enter a quilt into a sewing competition are not taxable because no admission or amusement is involved. However, entry fees to play in a dart tournament are taxable because the normal fee for playing darts is taxable.

## **Amusements**

Charges for rides, sideshows, or exhibitions are taxable. This includes all carnival rides and games, as well as bungee jumping, video games, games of chance or skill, mechanical handwriting analysis, virtual reality games, and other entertainment.

## **Clothing**

Clothing meant to be worn on the human body for general use is not taxable, but some accessories are taxable. Baby clothing (including receiving blankets used as clothing) is not taxable. For more information, see Fact Sheet 105, *Clothing*.

## **Collectors**

Sales of collector items such as model trains, guns, coins, comic books, stamps, and sports memorabilia are subject to sales tax when sold at a collectors' show, flea market, or any similar gathering of sellers.

## **Lodging**

Charges for lodging accommodations, including campsites, mobile homes, or other lodging facilities are taxable.

## **Parking**

Charges for parking vehicles are taxable (except at parking meters).

## **Rentals**

Rentals of equipment such as display booths, coolers, and generators are taxable. Rentals of booth space are not taxable.

## **Utilities**

Charges for electricity, gas, water, or other utilities to operators of shows or concessions are taxable.

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## **Food and drinks**

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Prepared food, as well as candy and soft drinks are taxable. Food and drinks, including bakery goods, are taxable when sold with eating utensils provided by the seller. Eating utensils include plates, knives, forks, spoons, glasses, cups, napkins, or straws.

For more information, see:

- Fact Sheet 102A, *Food and Food Ingredients*
- Fact Sheet 102B, *Candy*
- Fact Sheet 102C, *Soft Drinks and Other Beverages*
- Fact Sheet 102D, *Prepared Food*
- Fact Sheet 102E, *Dietary Supplements*

## Alcoholic beverages

Sales of intoxicating liquor are subject to the state general sales tax and a 2.5 percent liquor gross receipts tax. Nontaxable alcoholic beer is subject to the state general sales tax. For more information, see the Food and Bar Establishments Industry Guide.

## Examples of food sales at a food or other event

- A baker makes and sells cinnamon rolls served on a plate. Since the plate is considered an eating utensil, the cinnamon rolls are taxable.
- A fair booth makes and sells jars of spaghetti sauce. The sauce is not taxable because the customer generally heats it after the sale.
- A shop at a flea market makes and sells jam. The jam is taxable because the seller prepared the jam by combining two or more food ingredients, and the customer does not usually cook or heat it after the sale.
- A booth at a carnival sells whole fresh fruit. No eating utensils are provided. The fruit is not taxable.
- A vendor at a fair prepares and sells flavored nuts. The nuts are taxable because they are prepared by the seller and the customer does not usually cook or heat them after the sale.
- A vendor at a trade show sells spices made by someone else to use in cooking. The vendor uses the spices in demonstrations and passes out free samples of spiced food. Eating utensils are used to pass out the samples. The spices are not taxable because they are not prepared by the seller. The eating utensils used during the demonstration do not cause the spices to be taxable. However, if the vendor prepares the spices (mixes their own spice blends), they are taxable even if the vendor does not provide eating utensils.
- A concessionaire sells pickles. The concessionaire uses a wooden skewer to retrieve the pickle from the container and hands the pickle to the customer on the skewer, which the customer keeps. The skewer is considered to be an eating utensil, so the pickle is taxable.

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## Advertising

Sales of advertising products such as programs, brochures, signs and rentals of portable signs are taxable. Leases or rentals of billboard advertising are not taxable. Advertising services (including concept and design) are not taxable.

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## Prizes

Prizes awarded in games of skill or chance conducted at events such as carnivals, festivals, and fairs lasting less than six days are exempt from sales or use tax. Give the seller a completed Form ST3, *Certificate of Exemption*, to claim exemption.

Purchases of prizes are taxable for use at amusement parks, arcades, the State Fair, or other events that last six days or more. Also, items are taxable if they are awarded as prizes in connection with lawful gambling or the state lottery.

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## Use tax

Use tax applies to items or services you use that you purchased without paying sales tax. Use tax is similar to the sales tax and the rates are identical. Use tax is based on your cost of taxable purchases. Common examples of when use tax is due:

- You buy items for resale for your business, then remove some of the items from inventory for business or personal use.
- You buy a computer for use in your business from a mail order company or over the internet and the seller does not charge tax.

Report state and local tax when you report your sales tax. For more information, see Fact Sheet 146, *Use Tax for Businesses*.

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## Out-of-state vendors

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Out-of-state businesses must collect Minnesota tax on all taxable sales made while in Minnesota. If you make sales to Minnesota residents after you leave the state of Minnesota, or take orders for future direct mailings, these sales may be subject to Minnesota tax. For more information, see Revenue Notice 00-10, Nexus Standards.

If you come into Minnesota for a selling event, you are subject to income tax if you meet the minimum filing requirements: call 651-296-3781 or 1-800-652-9094 (toll-free) for more information.

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## Local sales and use taxes

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You may owe local tax if you are located or working in an area with a local tax. For more information, see Fact Sheet 164, *Local Sales and Use Taxes*.

## Special local taxes on food, liquor, admissions, entertainment, and lodging

In addition to the general local sales and use tax, some cities impose additional sales and use taxes on food, liquor, lodging, and entertainment, which the Department of Revenue administers. For more information, see:

- Fact Sheet 164M, *Minneapolis Special Local Taxes*
- Fact Sheet 164S, *Special Local Taxes*

### Legal References

Minnesota Statute 297A.87, Flea markets, shows, and other selling events

### Revenue Notices

95-04, Penalty for Operators of Flea Markets and Similar Events

99-05, Responsibility for Collection and Remittance of Sales Tax on Tickets Sold at Selling Events

00-10, Nexus Standards

### Other Fact Sheets

102A, *Food and Food Ingredients*

102B, *Candy*

102C, *Soft Drinks and Other Beverages*

102D, *Prepared Food*

102E, *Dietary Supplements*

105, *Clothing*

146, *Use Tax for Businesses*

154, *Arts and Crafts*

164, *Local Sales and Use Taxes*

164M, *Minneapolis Special Local Taxes*

164S, *Special Local Taxes*

### Industry Guides

Food and Bar Establishments