

Minnesota Sales and Use Tax Rules Summary

Seagate

1157 Valley Park Dr.

Shakopee, MN 55379

Tax Rate: N/A – This auction qualifies as an occasional sale and is not subject to sales tax in MN. See “Auctions” and “Occasional Sales” below.

Auctions – An auctioneer is considered a retailer in Minnesota. However, when the auctioneer acts solely as the agent of the owner who is not in the business of selling similar property, then the sale is exempt as an isolated or occasional sale. Occasional sales by auctioneers are not taxable.

Isolated or occasional sales – The sale of tangible personal property primarily used in a trade or business is exempt if the sale is not made in the normal course of business of the property owner selling that kind of property and if sales are of substantially all of the assets of a trade or business. The occasional sales exemption applies only to non-inventory assets, which are assets that the seller/owner paid tax on when seller bought them because the seller did not intend to resell them.

When tangible personal property is sold in an auction, the sale qualifies as an isolated or occasional sale if it would qualify as an isolated or occasional sale when sold by the owner of the property, and if the following conditions are met: (1) the title is exchanged directly between the owner and the buyer; (2) the auctioneer does not carry insurance on the property; and (3) the auctioneer and the owner of the property to be sold have entered a written agreement as provided under state law. When the sale is taxable, the person receiving the payment is responsible for collecting and remitting the sales tax on the total sales price of the property. [Minn. R. §8130.5800, Subp. 8 .]