

Glenwood 0.5 Percent Sales And Use Tax

Starting January 1, 2020, the City of Glenwood will have a 0.5 percent sales and use tax. The Minnesota Department of Revenue will administer this tax. Revenues will fund Phases II and III improvements to 2nd Street SE as set forth in the City's capital improvement plan; development, expansion, and improvements to City parks, trails, and recreational facilities; and improvements to Glenwood City Hall and Police Station identified in Ordinance No. 22, Thurd Series.

This 0.5 percent sales tax applies to retail sales made into Glenwood. The use tax applies to taxable items used in the City if the local sales tax was not paid.

For more information, see Fact Sheet 164, *Local Sales and Use Taxes*.

Who must register

All retailers who have a taxable presence (nexus) in Glenwood even if an out-of-state retailer or marketplace and are registered for Minnesota sales tax. This includes all sellers outside Glenwood if they have a taxable presence such as:

- Have an office, distribution, sales, sample or warehouse locations, or other place of business in Glenwood, either directly or by a subsidiary.
- Perform taxable services in Glenwood.
- Ship taxable items into Glenwood, including all sales made using the internet, mail order, or telephone.
- An out-of-state retailer that exceeds Minnesota sales tax thresholds and make sales into Glenwood.

For more information about taxable presence, see Form ABR, Minnesota Application for Business Registration.

Registering for the tax

If you file Sales and Use Tax returns online, you can register for this tax either before or when you file your January 2020 return.

To register before you file:

1. Log in to e-Services and access your Sales and Use Tax account.
2. In the I Want To section, select **Manage locations**.
3. In the Existing Locations list, select the **Location Code number** for the location you want to edit.
4. Select **Edit Location** at the bottom of the page. If the General Information and the NAICS code are correct, select **Next**.
5. If the address information is correct, select **Next**.
6. Select **Next** to bypass End Local Sales and Other taxes.
7. Select the check box for **Glenwood sales** and **Glenwood use**. Select **Next**.
8. Review the page and verify the new local tax is listed under Local Sales and Other Taxes – Glenwood sales and Glenwood use. If the new tax is listed, select **Submit**.
9. Review and print the Confirmation Summary. You can then select **Close**.

Glenwood 0.5 Percent Sales And Use Tax

To register when you file:

You can add a local tax when filing a return:

1. Select the link Add a Tax Line at the bottom of the return.
2. From the Tax Type Column, select the dropdown menu to select the local tax you need to add.
3. Enter the taxable dollar amount for the local tax.

The new tax will be on your return the next time you file.

If you file by phone

You must register for this tax before you file your return. To register, call 651-282-5225 or email us at salesuse.tax@state.mn.us. If you send an email, include your Minnesota Tax ID Number.

Reporting the tax

Report the Glenwood sales and use tax when you report your Minnesota Sales and Use tax. Each local tax is reported on a separate line of your return. Glenwood sales tax is line number 623; Glenwood use tax is line number 624.

Use tax

Glenwood use tax applies when you are located in the City and you buy items or services without paying the Glenwood sales tax.

Use tax is similar to sales tax and the rates are identical. It is based on your cost of taxable purchases. Common examples of when you owe use tax are when you:

- Buy items on the internet, by phone, or from any business for use in Glenwood and the seller doesn't charge the local tax.
- Buy items for resale at your business in Glenwood and then remove some of the items from inventory for business or personal use.

Calculating the tax

To calculate the tax:

1. Add the 6.875 percent state sales tax rate and the 0.5 percent Glenwood tax rate.
2. Apply the combined 7.375 percent rate, plus any other local taxes that apply, to the sales price. For more information, see [Fact Sheet 164S](#), *Special Local Taxes*.
3. Round the total to the nearest full cent.

You can download a 7.375 percent rate chart from our website or call us to request a paper rate chart.

When to charge the tax

Charge the Glenwood sales tax when customers buy taxable items or services in the City, unless they give you a valid exemption certificate.

The tax applies to purchases for business or personal use, even if the customer is from elsewhere or takes the items out of Glenwood.

Glenwood 0.5 Percent Sales And Use Tax

Exemption certificates

If a customer gives you a completed exemption certificate for state sales tax, also use that certificate as proof of exemption from the Glenwood sales and use tax.

Local governments

Local governments do not pay the Glenwood sales and use tax (or other local general sales taxes). No exemption certificate is necessary. State sales tax may apply.

Transitional Sales

Glenwood sales and use tax applies to sales on or after January 1, 2020, but the tax does not apply to the following:

- Lease payments for tangible personal property and motor vehicles that include periods before January 1, 2020. (The tax does apply to payments for periods that begin on or after that date.)
- The purchase of tangible personal property ordered before January 1, 2020, if the transfer of title or possession is prior to that date.
- The purchase of taxable services, including utility services, if the billing period includes charges for services furnished before and after January 1, 2020, (But the tax does apply if the billing period begins with services furnished on or after that date.)
- The purchase of admission tickets if they are paid for before January 1, 2020, even if the event occurs after that date.
- The purchase of construction materials used to complete a lump sum or fixed price construction contract that was signed and enforceable before January 1, 2020, but only if all the following are true:
 - The contract does not provide for an allocation of future taxes.
 - The materials are used exclusively in performing the contract.
 - The materials are delivered before July 1, 2020.

Information and Assistance

Call: 651-296-6181 or 1-800-657-3777 (toll-free)

Fax: 651-556-3102

Email: salesuse.tax@state.mn.us

Write: Minnesota Revenue
Sales and Use Tax Division
Mail Station 6330
St. Paul, MN 55146-6330

Or visit our website at www.revenue.state.mn.us

**Resolution 2019-14
Of the City Commission
Of the City of Glenwood**

**A Resolution Approving Minnesota Session Laws 2019
First Special Session
Chapter 6, Article 6, Section 19 and 34**

WHEREAS, the Legislature has by Minnesota Session Laws 2019, First Special Session, Chapter 6, Article 6, Section 19 and 34, authorized the City of Glenwood (the "City") to, by ordinance, impose a sales and use tax of up to one-half of one percent (0.5%) to provide revenues to pay for the cost of collecting and administering the tax and to finance, including securing and paying debt service on, all or part of improvement projects in the City of Glenwood in an amount not to exceed \$2,800,000, including:

- 1) The capital costs of the Phase II improvements to 2nd Street SE, as set forth in the City's capital improvement plan; including replacement of water mains and sewer mains, curb and gutter, storm sewer, and total street reconstruction of 2nd Street SE from Minnesota Avenue to 3rd Avenue SE at an estimated cost of \$799,556.
- 2) The capital costs of Phase III improvements to 2nd Street SE, as set forth in the City's capital improvement plan; including replacement of water mains and sewer mains, curb and gutter, storm sewers, and total street reconstruction of 2nd Street SE from 4th Avenue SE to 8th Avenue SE at an estimated cost of \$1,239,346.
- 3) The development and expansion of, and improvements to, City parks, trails, and recreational activities.
- 4) Improvements to Glenwood City Hall and Police Station.

WHEREAS, the City estimates that the tax will generate revenue of approximately \$2,800,000 before it expires and that the tax will remain in effect for approximately 20 years, or until the projects are paid for, whichever comes first; and

WHEREAS, such legislation requires local approval in accordance with Minnesota Statute 645.021; and

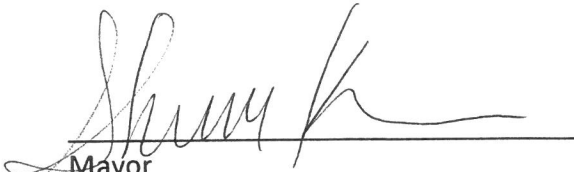
WHEREAS, the City desires the law to become effective;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF GLENWOOD, MINNESOTA: that Minnesota Session Laws 2019, First Special Session, Chapter 6, Article 6, Section 19 and 34 is hereby approved.

BE IT FURTHER RESOLVED, that the City Administrator is hereby instructed to submit a Certificate of Approval of Special Law by Governing Body pursuant to Minnesota Statutes 645.02 and 645.021 indicating compliance with the law and file a copy of this Resolution with the Secretary of State of the State of Minnesota, and furthermore, notify the Commissioner of Revenue for the State of Minnesota in accordance with Minnesota Statutes 297A.99.

Adopted this 25th Day of September, 2019, by the City Commission of the City of Glenwood.

(SEAL)



Mayor

Attest:



City Administrator

ORDINANCE NO. 22, THIRD SERIES
AN ORDINANCE OF THE CITY OF GLENWOOD, MINNESOTA, ENACTING A
LOCAL SALES AND USE TAX

THE CITY COMMISSION OF THE CITY OF GLENWOOD ORDAINS:
LOCAL SALES AND USE TAX

Section 1. Authority. Pursuant to the Laws of Minnesota 2019 First Special Session Chapter 6, Article 6, Section 19, the Minnesota Legislature has authorized the City of Glenwood to impose a local sales and use tax to provide revenues to pay the costs of collecting and administering the tax to the commissioner of revenue of the State of Minnesota and to finance the capital and administrative costs related to the funding of designated projects as defined in The Laws of Minnesota 2019 First Special Session, Chapter 6, Article 6, Section 19, and approved by the voters at the November 6, 2018, referendum.

Section 2. Definitions. For purposes of this ordinance, the following words, terms, and phrases have the meanings given them in this section unless the language or context clearly indicates a different meaning is intended.

(a) City. "City" means the City of Glenwood, Minnesota.

(b) Commissioner. "Commissioner" means the Commissioner of Revenue of the State of Minnesota or a person to whom the Commissioner has delegated functions.

(c) Designated projects. "Designated projects" means the capital costs of the Phases II and III improvements to 2nd Street SE as set forth in the City's capital improvement plan; development, expansion, and improvements to City parks, trails, and recreational facilities; and improvements to Glenwood City Hall and Police Station as authorized by the Minnesota Legislature in The Laws of Minnesota 2019 First Special Session Chapter 6, Article 6, Section 19 and approved by the voters at the November 6, 2018, referendum.

(d) State sales and use tax laws and rules. "State sales and use tax laws and rules" means those provisions of the state revenue laws applicable to State sales and use tax

imposition, administration, collection, and enforcement, including Minnesota Statutes Chapters 270C, 289A, 297A and Minnesota Rules, Chapter 8130, as amended from time to time.

Section 3. Local sales and use tax imposed; amount of tax; coordination with state sales and use tax laws and rules. A local sales tax is imposed in the amount of one-half of one percent on the gross receipts from sales at retail sourced within City limits which are taxable under the State sales and use tax laws and rules. A local use tax is imposed in the amount of one-half of one percent on the storage, use, distribution, or consumption of goods or services sourced within City limits, sales which are taxable under the State sales and use tax laws and rules. All of the provisions of the State sales and use tax laws and rules apply to the local sales and use tax imposed by this ordinance. The local sales and use tax imposed by this ordinance shall be collected and remitted to the Commissioner on any sale or purchase when the State sales tax must be collected and remitted to the Commissioner under the State sales and use tax laws and rules and is in addition to the State sales and use tax.

Section 4. Effective date of tax; transitional sales. Except as otherwise provided herein, the local sales and use tax imposed by this ordinance shall apply to sales and purchases made on or after January 1, 2020. The local sales and use tax imposed by this chapter shall not apply to:

(a) The gross receipts from retail sales or leases of tangible personal property made pursuant to a bona fide written contract, which unconditionally vests the rights and obligations of the parties thereto, provided that such contract was enforceable prior to January 1, 2020, and that delivery of the tangible personal property subject thereto is made on or before January 1, 2020.

(b) The gross receipts from retail sales made pursuant to a bona fide lump sum or fixed price construction contract, which unconditionally vests the rights and obligations of the parties thereto and which does not make provision or allocation of future taxes, provided that such contract was enforceable prior to January 1, 2020, and that delivery of the tangible personal property used in performing such construction contract is made before July 1, 2020.

(c) The purchase of taxable services, including utility services, if the billing period includes charges for services furnished before and after January 1, 2020, but the local sales and use tax imposed by this ordinance shall apply on the first billing period not including charges for services furnished before January 1, 2020.

(d) Lease payments for tangible personal property and motor vehicles that includes a period before and after January 1, 2020, but the local sales and use tax imposed by this ordinance shall apply on a prorated basis to lease payment amounts attributable to that portion of the lease payment period on or after January 1, 2020, and on the entire lease payment for all lease payment periods thereafter.

Section 5. Tax Clearance; Issuance of Licenses.

(a) The City may not issue or renew a license for the conduct of a trade or business within the City if the Commissioner notified the licensing division of the City that the applicant

owes delinquent City taxes as provided in this ordinance or penalties or interest due on such taxes.

(1) City taxes include sales and use taxes provided in this article. Penalties and interest are penalties and interest due on taxes included in this definition.

(b) Delinquent taxes does not include a tax liability if: (i) an administrative or court action which contests the amount or validity of the liability has been filed or served, (ii) the appeal period to contest the tax liability has not expired, or (iii) the applicant has entered into a payment agreement and is current with the payments.

(c) Applicant means an individual if the license is issued to or in the name of an individual, and applicant means the corporation or partnership if the license is issued to or in the name of a corporation or partnership.

(1) A copy of the notice of delinquent taxes given to the licensing division of the City shall also be sent to the applicant taxpayer. In the case of renewal of a license, if the applicant requests renewal in writing within 30 days of receipt of the notice of hearing, then a contested hearing shall be held under the same procedures as provided in Minn. Stat. 270A for the State sales and use tax imposed under Minn. Stat. 297A; provided further that if a hearing must be held on the State sales and use tax, hearings must be combined.

Section 6. Deposit of revenues; costs of administration; termination of tax.

(a) All of the revenues, interest, and penalties derived from the local sales and use tax imposed by this ordinance, collected by the Commissioner, and remitted to the City shall be deposited by the City finance director in the City treasury and shall be credited to the fund established to pay the costs of collecting the local sales and use tax imposed by this ordinance and to finance the capital and administrative costs directly related to completing the designated projects.

(b) The local sales and use tax imposed by this ordinance shall terminate at the earlier of: (1) 20 years after the tax is first imposed; or (2) when the City Commission determines that \$2,800,000, plus an amount sufficient to pay the costs related to issuing bonds and interest on the bonds have been received from the local sales and use tax imposed by this ordinance to pay for all the capital and administrative costs directly related to completing the designated projects. Any funds remaining after payment of all such costs and retirement or redemption of the bonds shall be placed in the general fund of the city. The local sales and use tax imposed by this ordinance may terminate at an earlier time if the City Commission so determines by ordinance.

Section 7. Agreement with the commissioner. The City may enter into an agreement with the Commissioner regarding each party's respective roles and responsibilities related to the imposition, administration, collection, enforcement, and termination of the local sales and use tax imposed by this ordinance. Any such agreement shall not abrogate, alter, or otherwise

conflict with the State sales and use tax laws and rules, this ordinance, or the Laws of Minnesota 2019 First Special Session, Chapter 6, Article 6, Section 19.

Section 8. Summary publication. The following summary is approved by the City Commission and shall be published in lieu of publishing the entire ordinance pursuant to Minnesota Statutes section 412.191:

Pursuant to a voter-approved referendum, the City is authorized to and will impose a local sales and use tax of one-half of one percent on retail sales made after January 1, 2020, to be used to fund certain designated projects related to capital costs of the Phases II and III improvements to 2nd Street SE; development, expansion, and improvements to City parks, trails, and recreational facilities; and improvements to Glenwood City Hall and Police Station.

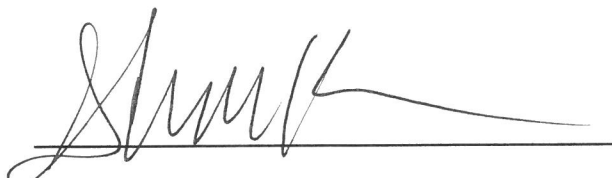
Section 9. This ordinance shall be in full force and effect from and after its passage and publication.

Passed by the City Commission of the City of Glenwood, Minnesota, this 12th day of November, 2019.

Ayes:

Nays:

Attest:



Mayor

City Administrator

This instrument drafted by:

City of Glenwood
100 17th Avenue NW
PO Box 254
Glenwood, MN 56334
320-634-5433