



OFFICE OF GOVERNOR MARK DAYTON

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Fact Check: Sales Tax on Clothing

Governor Dayton's plan would apply a sales tax rate of 5.5% to each clothing item over \$100. Clothing items costing less than \$100 would continue to be exempt from sales tax. Examples of what these changes would mean for various clothing purchases are below.

What if I buy a jacket for \$150?

If you buy a jacket that costs \$150, you will pay sales tax **on that item only**. In the example to the right, you can see that the 5.5% rate is applied to all \$150 of the cost, not just the \$50 over the limit.

Minnesota Mart Anywhere, MN 123. Min St. RECEIPT	
Jacket	\$150.00
Tax	\$8.25
Total	\$158.25

What if I buy three shirts for \$50 each?

If you buy three shirts that cost \$50 each for a total receipt of \$150, **you will pay no sales tax on that purchase**. Each of those items are under the \$100 limit, and you **do not** pay sales tax on total receipts over \$100.

Minnesota Mart Anywhere, MN 123. Min St. RECEIPT	
Shirt	\$50.00
Shirt	\$50.00
Shirt	\$50.00
Tax	\$0.00
Total	\$150.00

What if I buy three shirts for \$50 each and a jacket for \$150?

If an item on your receipt is over the \$100 limit, **you will only pay the sales tax on that item**. If you buy the three \$50 shirts and the \$150 jacket together on the same receipt, **you will not pay sales tax on the total of the receipt**. In the example to the right, you can see that the tax is not applied to the \$300 total, but only to the \$150 jacket.

Minnesota Mart Anywhere, MN 123. Min St. RECEIPT	
Jacket	\$150.00
Shirt	\$50.00
Shirt	\$50.00
Shirt	\$50.00
Tax	\$8.25
Total	\$308.25