

# MINNESOTA REVENUE

July 23, 2010

Scott Peterson, Executive Director  
Streamlined Sales Tax Governing Board  
4205 Hillsboro Pike, #305  
Nashville, TN 37215

Dear Mr. Peterson:

The letter is to certify that Minnesota is in compliance with all of the provisions of the Streamlined Sales and Use Tax Agreement, except for ringtones.

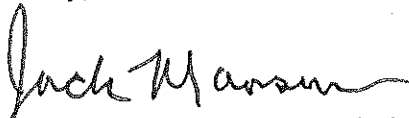
**Compliance related changes to statues, regulations or written policies since August 1, 2009:**  
Section 304 C: Legislation was passed, effective May 28, 2010, to provide relief of liability when there is not at least 30 days between the effective date of a rate change and notification of the rate change. Minnesota Statutes section 297A.995, Subd. 10(c)

**Items of noncompliance:**

Minnesota is currently out of compliance with the definition of "digital audio works." As noted on Minnesota's 2010 Taxability Matrix and in Section 327 of the 2010 Certificate of Compliance, Minnesota imposes sales and use tax on ringtones, which are included in the definition of "digital audio works." Attempts to correct this during the 2009 and 2010 legislative sessions failed. Minnesota intends to propose legislation again for the 2011 Legislation Session to come into compliance with this issue. As you are aware, a proposal to amend the definition of "digital audio works" to allow states to tax ringtones differently than they tax other "digital audio works" is currently being discussed by the State and Local Advisory Council, which if adopted by the Governing Board, would bring Minnesota into compliance without legislation.

Enclosed are Minnesota's updated Certificate of Compliance and Taxability Matrix for 2010. If you have questions or require additional information, please contact me directly.

Sincerely,



Jack Mansun, Assistant Commissioner  
Minnesota Department of Revenue  
E-mail: jack.mansun@state.mn.us  
Phone: 651-556-6009

Enclosures: Certificate of Compliance  
Taxability Matrix

