

# MinnesotaCare Tax 2018 Pharmacy Refund

Information and instructions for filing your MinnesotaCare Pharmacy Refund Return (Minnesota Statutes Chapter 295)  
For Minnesota pharmacies only

## Information and Assistance

### Website/e-Services

[www.revenue.state.mn.us](http://www.revenue.state.mn.us)

### Email

[MinnesotaCare.tax@state.mn.us](mailto:MinnesotaCare.tax@state.mn.us)

### Phone

651-282-5533  
(Weekdays, 8 a.m. - 4:30 p.m.)

### Fax

651-556-5233

### Business Registration

#### Email:

[business.registration@state.mn.us](mailto:business.registration@state.mn.us)

#### Phone:

651-282-5225 or 1-800-657-3605

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*This information is available in alternate formats.*

## Your 2018 Pharmacy Refund Return is Due March 15, 2019

File your return electronically starting **January 22, 2019**.

Go to our website and log in to e-Services to file.

## What's New

### Coming Soon:

#### A Better Revenue Website

We are redesigning the Minnesota Department of Revenue website to make it easier for you to find and use the information you rely on to meet your state tax obligations. Watch for a beta (preview) version of our new website in early 2019!

Visit [www.revenue.state.mn.us](http://www.revenue.state.mn.us) for more information and to get the latest tax news and updates.

#### 2017 Pharmacy Refund Deadline

The final deadline to claim a 2017 Pharmacy Refund is March 15, 2019. Refund claims filed after this date will not be allowed.

### Sign Up to Receive Email Updates

Stay informed about MinnesotaCare taxes! Sign up to receive email updates about:

- filing and payment due date reminders
- new or updated publications
- educational tax seminars

To sign up, go to our website at [www.revenue.state.mn.us](http://www.revenue.state.mn.us) and subscribe for email updates. Enter your email address and select **MinnesotaCare Tax Updates** from the list.

## Registering for a Minnesota Tax ID

Before you can file a MinnesotaCare Pharmacy Refund Return, you must have a Minnesota Tax ID Number. This is a seven-digit number assigned to you when you register with the department.

If you do not have a Minnesota Tax ID Number, you must apply for one. You can apply online at [www.revenue.state.mn.us](http://www.revenue.state.mn.us) or by contacting Business Registration (see *Information and Assistance* on this page).

If your business currently has a Minnesota Tax ID Number for other Minnesota taxes, you can add a MinnesotaCare Pharmacy Refund account to your number. To update your business information, go to our website and log in to e-Services or contact Business Registration.

# General Information

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## Who Is Eligible

Minnesota pharmacies that purchase legend drugs from wholesale drug distributors subject to the MinnesotaCare Wholesale Drug Distributor Tax are eligible to receive a tax refund if they later deliver or ship the drugs to locations outside of Minnesota.

The refund is equal to 2 percent of the amount you paid to the wholesale drug distributor for the legend drugs.

To determine if a wholesale drug distributor is subject to tax, check your purchase invoice for a MinnesotaCare tax expense charge or contact the wholesaler for verification.

## Definition of Legend Drugs

Legend drugs are drugs or gases that are classified by the FDA as a drug, not a device, and are required by federal law to be sold or dispensed in a container labeled with one of the following statements:

- “Caution: Federal law prohibits dispensing without prescription”
- “Rx only”

### **Blood, blood components, and blood derivatives.**

Blood and blood components are not considered legend drugs under Minnesota law and cannot be used to claim the refund.

Blood derivatives, however, which are derived from blood, plasma, or serum through a chemical manufacturing process, are considered legend drugs and may be used to claim the refund.

## Filing Due Date

Pharmacy Refund Returns are due annually on March 15 for drugs delivered or shipped outside of Minnesota during the previous calendar year.

Your 2018 Pharmacy Refund Return is due March 15, 2019.

The final deadline to claim the 2018 refund is March 16, 2020. Refund claims will not be allowed if they are filed more than one year after the original due date of the return.

## Reporting Business Changes

Be sure to update your business information if you do any of the following:

- change the name, address, owner/officers, or ownership of your business
- make any other changes (such as email address, phone number, or contact person)
- need to add or delete a tax type
- close your business

To update, go to our website and log in to e-Services. For additional information, see *Managing Your Account Profile in e-Services* on page 4.

## Recordkeeping

You should keep all internal accounting records and external third-party documentation that support the amounts reported on your Pharmacy Refund Return.

This includes any paper records and any records you receive or store electronically. Some examples of paper and electronic records include:

- legend drug purchase invoices
- records verifying drugs delivered or shipped outside of Minnesota
- records verifying any drugs returned to the pharmacy after they were delivered or shipped outside of Minnesota

All documentation should be made available on request for the department to review. If you are audited, you will be asked to provide between 4 and 6 years of records. Refunds may be denied if your documentation is incomplete.

## Statute of Limitations

The department may audit your return within 3½ years from the original due date of the return or the date you filed the return, whichever is later. There is no time limit if we find that you have fraudulently claimed a refund or reported false information.

# How to File Your Annual Return

**Your 2018 MinnesotaCare Pharmacy Refund Return is due March 15, 2019. File your return using our e-Services system starting January 22, 2019.**

## Information You Will Need to File Your Return

You must file your MinnesotaCare Pharmacy Refund Return electronically using our online e-Services system. Before you can file your return, you will need the following:

- your username and password
- total legend drug purchases made during the year
- total legend drug purchases delivered outside of Minnesota
- total returned legend drug purchases that were delivered outside of Minnesota

See the *Line-by-Line Instructions* on this page for help calculating these amounts.

**You must be registered for a MinnesotaCare Pharmacy Refund account** to file a return. To register or update your business information, log in to e-Services or contact Business Registration (*see page 1*).

If you are registered for the refund, but the period you are filing is not listed in e-Services, please call the MinnesotaCare Tax Unit at 651-282-5533 so we can add it to your account.

## To File Online

Go to our website at [www.revenue.state.mn.us](http://www.revenue.state.mn.us) and log in to e-Services.

You will need Internet access with a browser that supports 128-bit encryption, such as Internet Explorer 8.0 to 11.0, Firefox 3.0 or higher, Google Chrome, or Safari 5.X.

## Line-By-Line Instructions

*Use this information when you electronically file your return.*

### Legend Drug Purchases

Enter the total amount you paid during the year for legend drugs that you purchased from wholesale drug distributors subject to the Wholesale Drug Distributor Tax.

**Do not include** amounts paid for:

- drugs or devices that are not legend drugs
- legend drug purchases on which you paid Legend Drug Use Tax (*Note: To claim a refund of Legend Drug Use Tax, amend your Legend Drug Use Tax Return. Do not file a Pharmacy Refund Return.*)

For the definition of legend drugs, see page 2

### Legend Drug Purchases Delivered Outside of Minnesota

Of the legend drug purchases you reported, enter the amount you paid for legend drugs that were later delivered or shipped outside of Minnesota.

### Legend Drugs Returned to You

Of the legend drug purchases delivered or shipped outside of Minnesota, enter the amount you paid for legend drugs that were returned to you.

### Pharmacy Refund

Our e-Services system will calculate your Pharmacy Refund. The refund is 2 percent (0.02) of the amount you paid for qualifying legend drugs that were delivered outside of Minnesota and not returned to you.

## How to Amend Your Return

To adjust your return, you must file an amended return electronically using our online e-Services system.

You must file your amended return within 3½ years of the original due date for the year you are amending.

Keep all supporting documentation for any amended return you file. All documentation should be made available on request for the department to review. All amended returns are subject to audit.

### Filing Instructions

To amend a return, go to our website at [www.revenue.state.mn.us](http://www.revenue.state.mn.us) and log in to e-Services. Choose your Pharmacy Refund account and select “View Return” next to the period you want to amend. Then, select “Change” on the return screen and enter the corrected amount that should have been reported on your original return. You’ll also need to enter the reason you are amending your return.

You will receive a confirmation number if your return is filed successfully.

If you need help or have questions about amending a return, please contact us.

## Paying a Balance Due

If you amend your Pharmacy Refund Return for less than the amount you claimed on your original return, you must pay the amount due plus interest. e-Services will calculate the interest for you.

**Electronic Payment Requirement.** You are required to pay electronically if your tax liability was more than \$10,000 for any one Minnesota business tax during the previous fiscal year (July 1 – June 30).

If you are required to pay any Minnesota business tax electronically for one year, you must pay all Minnesota business taxes electronically *for all future years*. We will send you a notice the first year you are required to pay electronically.

A 5 percent payment method penalty will be assessed on any non-electronic payments if you fail to pay electronically when required.

## Electronic Payment Options

### e-Services

You can make your payment online using our e-Services system when filing your amended return. If you pay through e-Services, you will be able to view a record of your payment online once it is processed. You will need your bank’s routing number and your account number. When paying electronically, you may not use an account associated with a foreign bank.

### Credit or Debit Card

For a fee, you may charge your payment to your Visa, MasterCard, American Express, or Discover credit or debit card. To do so, have your card ready and go to [www.paystatetax.com/mn](http://www.paystatetax.com/mn) or call 1-855-947-2966.

### ACH Credit

ACH credit payments are initiated by you through your bank. You authorize your bank to transfer funds to the state’s bank account. The bank must use ACH file formats, which are available on our website. Your bank may charge you a fee for these payments.

### Bank Wire

You can authorize a direct transfer from your bank account to the Minnesota Department of Revenue. For information on how to make a bank wire transfer, call us at 651-556-3003 or 1-800-657-3909.

# Managing Your Account Profile in e-Services

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“Manage my profile” in e-Services allows you to:

- update your login information
- store your email address, phone number, and banking information
- create access to your and other people’s accounts
- add additional users with varying security, as well as request and approve third-party access

## Set Up and Manage Users

There are two types of users in e-Services: e-Services Master and Account Manager. An e-Services Master can manage other users as well as view, file, and/or pay for specific account types. An Account Manager can view, file, and/or pay for specific account types depending on the access an e-Services Master has set up for the user.

e-Services has the following access level options:

- **All Access**—allows user total access to update the account, file, and pay
- **File**—allows user to view all information and file returns
- **Pay**—allows user to view all information and make payments
- **View**—allows user to only view all information

**For instructions on how to create additional logons for users, see Help in e-Services.**

## Third-Party Access

Third-party access is for accountants and other non-employees who file returns and/or make payments on behalf of another business. In order to receive third-party access, the non-employee must request access from the taxpayer. The taxpayer must then grant the access and manage the login of the non-employee before the request can become active.

Both parties must be active in e-Services to request third-party access. For detailed instructions on how to request third-party access, go to our website.