



This Week in State Tax (TWIST)

March 3, 2025



Multistate: Retail Delivery Fees Proving Popular in State Legislatures

The increasing popularity of fuel-efficient vehicles adversely affects fuel tax revenue flows that most states rely on to maintain roads, bridges, and tunnels. Several states have implemented or are considering a retail delivery fee (RDF) to help offset the impact. Generally speaking, an RDF is a charge imposed on the delivery by a motor vehicle of products purchased at retail to consumers in the state. Here is where RDFs stand in the states.

Colorado: Colorado imposes a \$0.29 RDF on all retail deliveries made by retailers with \$500,000 or more and marketplace facilitators (MPFs) with \$100,000 or more in retail sales of tangible personal property, commodities, or services to purchasers located in Colorado in the previous calendar year. The fee, implemented in 2022, is imposed on deliveries containing at least one item of tangible personal property subject to the state sales tax.

Minnesota: Minnesota imposes a \$0.50 RDF on each transaction made by retailers with \$1 million or more and MPFs with \$100,000 or more in retail sales in Minnesota in the previous calendar year. Minnesota's RDF, implemented in 2024, applies to transactions of \$100 or more, comprising tangible personal property subject to Minnesota sales tax and clothing (not subject to sales tax), but sales of certain items (e.g., food, drugs, medical devices, and certain baby products) are not considered in computing the \$100 threshold. The Minnesota legislature is considering two bills dealing with the RDF - [H.F. 5](#) would repeal the fee, and [H.F. 1104](#) would apply the fee to all deliveries of tangible personal property subject to the sales tax.

Hawaii: Hawaii's [S.B. 1124, as introduced](#), proposes a retail delivery safety fee of \$0.50 on retailers for each non-food retail delivery. Retailers may collect the fee from purchasers, and if the fee is separately stated on the invoice or bill of sale, the fee shall be excluded from the sales price for purposes of the general excise tax.

Mississippi: Mississippi's [H.B. 530](#) proposes a delivery fee of \$0.30 on each commercial transaction involving retail delivery of taxable tangible personal property and clothing (except cloth diapers) and provides retailers with the discretion to collect the fee from the purchaser. If the delivery fee is stated separately on the receipt, invoice, or bill of sale, it shall be excluded from the sales price for sales tax purposes.

Maryland: Maryland's [S.B. 321](#) and [H.B. 352](#) propose a \$0.75 RDF per delivery transaction beginning June 1, 2025, on deliveries of retail sales of taxable tangible personal property to persons in Maryland. The fee will apply only to vendors with \$500,000 or more in retail sales and MPFs that facilitated retail sales of marketplace sellers totaling \$100,000 or more in the previous or current calendar year.

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Vermont: Vermont's [S. 75](#) proposes a retail delivery fee of \$0.30 on all retail deliveries by persons required to collect sales tax. Vendors may elect to collect the fee from purchasers if the fee is separately stated on the invoice. The fee shall not be included in the sales price of the items for sales tax purposes when separately stated.

Note that in all states, each transaction is subject to only a single delivery fee, even if more than one delivery is needed to complete the transaction. Please contact [Jeff Cook](#) for more information on retail delivery fees.

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