



Karen Olson Reviews Minnesota Supreme Court Decision Relating to Tax Law

Spencer Fane attorney [Karen Olson](#) recently analyzed the Minnesota Supreme Court's recent ruling in *Menard, Inc. v. Commissioner of Revenue* in the *Minnesota Lawyer*.

Titled "Retailer can't claim tax offset based on uncollectible debts," the article discusses how Menard, Inc attempted to offset its sales tax liability under Minnesota Statutes § 297A.81, Subd. 1.

Karen outlines the case, noting that Menard was not considered a guarantor. "The court determined that because Menard was not a guarantor, and did not essentially act as a guarantor, of the account holders' debts that Menard was not owed an uncollectible debt that could be used to offset sales tax owed to the State of Minnesota," Karen explained in the article. "If Menard was a guarantor, then its payment of the debt, in the form of a net payment calculated under the parties' agreement, would have satisfied the debtors' obligation."

Karen also emphasized the importance of determining the tax consequences of agreements in advance to ensure that each party has a basis to claim the appropriate deductions.

To read Karen's full summary of the case, please click [here](#). Please note a subscription may be required.