Your fair is not exempt from ALL sales tax. Three criteria must be met in order for the revenues to be exempt from sales tax.

You must be able to answer YES to three questions...

Who: The revenues must be received by your AG SOCIETY.
When: The revenues must be received DURING YOUR FAIR.
Where: The revenues must be received for events held on your FAIRGROUNDS.

Were the revenues paid directly TO YOUR AG SOCIETY?  
- **YES**
  - Were the revenues earned DURING THE FAIR?  
    - **YES**
      - Were the revenues for events held ON THE FAIRGROUNDS?  
        - **YES**
          - The revenues are sales tax exempt, however, the amount of the sales tax that would have been paid must be used to “maintain, improve or expand” the fairgrounds.
    - **NO**
  
  Examples:  
  - Sales by fair vendors  
  - Midway sales by the carnival  
  - Beer sales operated by a local fire department

  Examples:  
  - Sales (online or in person) for fair events sold before the fair begins  
  - Non-fair events hosted on the fairgrounds

  Examples:  
  - Fair-sponsored events held off-site

Still have questions? Please contact your MFCF Director! We know there will be situations that don’t fit this flow chart. We are here to assist you, and we will send more detailed updates with frequently asked questions.