



Considerations for Retail Delivery Assessments

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This briefing is part of a series on [transportation policy and finance proposals by the Metropolitan Area Planning Council \(MAPC\)](#) as the Commonwealth considers new funding streams to support transportation services and infrastructure while meeting the Commonwealth's climate goals.

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Introduction and Background

The e-commerce business model has fundamentally changed the retail and delivery landscape. Online shopping has led to reduced prices for many consumer goods and provides many of us the ability to access a breadth of goods, services, and foods. This is especially important for home-bound residents or those without transportation, who might otherwise have limited access to goods and services. Additionally, e-commerce allows local retailers to expand their customer base, making sales not just nationwide but globally.

However, the growth in e-commerce, specifically retail deliveries from online purchases, is increasing traffic due to the greater number of vehicles transporting goods to and from warehouses, as well as those delivering individual orders to consumers. The surge in motor vehicles making deliveries increases roadway wear and tear and impacts traffic congestion and air quality. Additionally, this rise creates greater competition for curb space on local streets, leading to conflicts with on-street parking, pedestrians, bicycle lanes, transit lanes/bus stops, and outdoor dining space.

To mitigate the adverse effects of roadway wear and tear, congestion, and emissions from retail deliveries, and to find new sources of revenue generation for continued investment in transportation infrastructure, Massachusetts should consider a retail delivery fee. This fee would be added to the cost of goods delivered by motor vehicle to customers' homes or businesses. **We estimate that a retail delivery fee in Massachusetts could generate between \$104 million and \$192.5 million in revenue annually, supporting both municipal and statewide transportation needs.**

This briefing provides an overview of retail delivery fees currently imposed or under consideration in other states, along with recommendations for the Commonwealth to consider.

Retail Delivery Landscape

Types of Retail Deliveries

Colorado and Minnesota have adopted retail delivery fees to address the many transportation impacts of e-commerce deliveries, and other states and cities are considering similar fees.

In states that have already adopted or are considering retail delivery fees, “deliveries” are defined and generally divided into three categories, based on the types of items purchased and whether a sales tax applies.

- **Package deliveries** are online purchases through platforms such as Amazon, Wayfair, Etsy, and eBay; orders filled by national “brick and mortar” retailers such as Target and Walmart; as well as deliveries from local retailers. These deliveries often take one or more days because they might come from regional distribution centers, can be larger/bulkier items, are not perishable, and/or are not needed as immediately by the customer. State or local sales taxes usually apply to the items purchased.
- **Prepared foods** are online orders of prepared meals delivered in under an hour. Often referred to as rapid food deliveries, these deliveries are made primarily by third-party delivery platforms such as DoorDash, Uber Eats, and Grubhub. A sales tax and/or prepared meals tax usually applies.
- **Grocery deliveries** include third-party platforms such as Instacart and Peapod. These orders are typically packaged and delivered the same day. Depending on local and state laws, sales taxes may apply to the items purchased.

Scale of Retail Deliveries

There are no publicly available data sources that detail the number of e-commerce packages (such as those delivered by Amazon, USPS, FedEx, and UPS) or the number of rapid food deliveries from third-party platforms (like Uber Eats, DoorDash, and Grubhub) in Massachusetts. However, by applying available data on national online ordering trends and package deliveries, MAPC estimates that **in 2023, there were between 445-448 million e-commerce deliveries and between 120-151 million rapid food deliveries in the state.**

These estimates do not include grocery deliveries from platforms such as Instacart and Peapod, and we do not have data about the delivery mode (automobile, bicycle, moped) or the number of restaurants that directly deliver their own food.

MAPC's methods and data sources for estimating the number of and revenue from e-commerce deliveries and rapid food deliveries can be found in the **Appendix**.

Both the volume and market share of e-commerce package deliveries and rapid food deliveries are projected to increase steadily. In 2023, e-commerce accounted for more than [15.6 percent of all retail sales in the United States](#). National projections indicate that the 15.6 percent share will continue to increase over the next few years, reaching [about 20.6 percent by 2027](#). Nationwide, revenue in e-commerce sales is forecast to [increase by 58.2% from 1.1 to 1.7 trillion dollars](#). In 2023, the United States' online food delivery market generated around [\\$287.5 billion in revenue](#), with projections suggesting a 74% increase to over 500 billion by 2028. These trends reflect the increasing consumer preference for convenience and fast service for the delivery of packages and prepared food. **In Massachusetts, online retail sales accounted for approximately 25 percent of total retail sales in 2023.** Online retail spending indicates that Massachusetts exceeds the national average in terms of online adoption.¹

Delivery Fees Outside Massachusetts

As of July 2024, two states, Colorado and Minnesota, have adopted retail delivery fees to address the transportation impacts created by e-commerce deliveries. Both Colorado and Minnesota have acknowledged a nexus between e-commerce deliveries and their impact on the roadway network.² Consequently, they have enacted legislation mandating that businesses engaged in e-commerce deliveries pay a retail delivery fee to finance transportation improvements.

Generally, there are three elements that are required for a retail delivery fee:

1. The item is purchased by someone in-state and delivered to an address within the state (regardless of whether the retailer is in-state or out-of-state). Items purchased and shipped out-of-state are not assessed a delivery fee.
2. A state or local sales tax or a use tax applies to the item purchased, with exceptions noted below.
3. The item is delivered by motor vehicle.

¹ MAPC analysis of weekly online retail spending by Massachusetts residents. Data available from Replica (<https://www.replicahq.com/>)

² For example, the preamble to Colorado's legislation states: "this additional usage has accelerated and is expected to continue to accelerate deterioration of surface transportation system infrastructure, and has required and is expected to continue to require the state, counties, and municipalities to perform more maintenance and reconstruction of state highways, county roads, and city streets."

Below are descriptions of how each state applies retail delivery fees, with further details provided in **Tables 1 and 2**.

Colorado Retail Delivery Fee

Origin:

The bill for the retail delivery fee was enacted during the COVID-19 pandemic when Colorado experienced a surge in online orders. The [preamble to the law](#) (CRS 43-4-218) notes that worldwide, the number of packages delivered is projected to increase 78% by 2030. This surge in delivery demand is also projected to lead to a 30% increase in the number of delivery vehicles by 2030, “which will increase usage of the highways, roads, and streets of the state by motor vehicles used to make retail deliveries.”

Description:

The [retail delivery fee](#) was adopted in 2021 and enacted in 2022 at 27 cents on all deliveries by motor vehicle to a location in Colorado with at least one item of tangible personal property subject to state sales or use tax. Adjusted annually for inflation, the fee was 28 cents in fiscal year 2024 and raised to 29 cents starting July 1, 2024.

Application and Exemptions:

The fee applies to any delivery of a retail item subject to the state’s sales and use tax, to an address in Colorado where at least one leg of the delivery is by motor vehicle. It applies both when the business provides the deliveries itself or uses a third party. Each sale for delivery is a single retail delivery regardless of how many shipments are needed to deliver the items purchased.

The fee does not apply to most grocery items (food purchased for home preparation and consumption, which is exempt from the sales tax), but does apply to delivery of prepared food subject to the sales tax. The fee does not apply to medicines or medical devices prescribed by a health care professional. Other [exemptions](#) include retailers with in-state retail sales less than \$100,000 or total retail sales less than \$500,000, most service calls (house repairs, etc.), when items are picked up by the purchaser, deliveries entirely by non-motor vehicle³ (e.g., bike), and deliveries to addresses out of state.

³ The fee does not apply “when the delivery is made without the use of a motor vehicle (e.g. the delivery is made exclusively by bicycle, electrical assisted bicycle, electric scooter, or low-power scooter).” <https://tax.colorado.gov/retail-delivery-fee-deliveries>

Like the sales tax, the retail delivery fee is collected from the consumer and paid to the state. If the retail delivery fee is passed onto the consumer, it must be shown on the invoice or receipt, separate and distinct from the sales price and other charges. Retailers can pay the fee on behalf of the customer without stating it on the receipt or invoice.

Revenues:

The revenues are allocated to six transportation programs: promoting the adoption of electric vehicles, supporting clean energy fleet adoption, clean transit, bridge and tunnel infrastructure, air pollution mitigation, and the general transportation fund. In calendar year 2023, [fee revenue was \\$88.9M](#).

Minnesota Retail Delivery Fee

Origin:

Minnesota is the second state to impose a retail delivery fee, a component of a larger initiative aimed at funding transportation projects statewide. The fee is intended to help increase revenues for state transportation expenditures.

Description:

The Transportation Finance and Policy Bill ([HF 2887](#)) establishes a new [Retail Delivery Fee](#) on retail deliveries in the state of Minnesota. Effective July 1, 2024, retailers (including out-of-state retailers and marketplace providers) are subject to a 50-cent retail delivery fee. The 50-cent retail delivery fee applies to most retail sales of tangible personal property that are subject to Minnesota sales tax and have a retail price of \$100 or more (including clothing) before the application of state and local sales and use taxes.

Application and Exemptions:

Minnesota’s retail delivery fee only applies to deliveries made by motor vehicle in the state. It does not apply to transactions where a consumer buys a product online and elects to pick it up in the retail store. The fee applies once per transaction, regardless of the number of shipments needed to deliver the purchased items. Unlike Minnesota’s state sales tax, which is imposed on consumers, the retail delivery fee is imposed on retailers. Retailers have the option to either collect the fee from the purchaser or pay it directly.

Minnesota provides exceptions for small businesses. Specifically, a retail delivery fee does not apply to retailers making sales of less than \$1 million in the previous calendar year, nor to [marketplace providers](#) if they facilitated less than \$100,000 in annual online retail shipments in Minnesota.

The retail delivery fee does not apply to retail deliveries made to a purchaser exempt from sales and use tax. Unlike Colorado, the retail delivery fee does **not** apply to food or beverage service establishments such as restaurants (regardless of whether the delivery is made by a third party). The retail delivery fee also does not apply to certain types of products, including retail sale of food, prepared food, drugs and medical supplies, and baby products. Unlike Colorado, Minnesota's delivery fee applies to deliveries made by a non-motor vehicle (e.g., bicycle or scooter).

Revenues:

The revenues from the fee are allocated to a [Transportation Advancement Account](#) which was created in 2023 to provide funding to local agencies for transportation purposes. The distribution of funds from this Account goes to metropolitan counties, a county state-aid highway fund, a larger cities assistance account, a small cities assistance account, a town road account, and a food delivery support account. Minnesota has forecasted that its retail delivery fee will generate [\\$59 million in its first year](#).⁴

Table 1 below compares the Colorado and Minnesota retail delivery fees.

Table 1. Comparison of Retail Delivery Fees between Colorado and Minnesota

	Colorado	Minnesota
Date Effective	July 1, 2022	July 1, 2024
Retail Delivery Fee	\$0.29*	\$0.50
Annual Revenue	\$88.9 million**	\$59 million+
Revenue Allocation	Six separate transportation programs	Transportation Advancement Account
Retail Delivery Fee Application		
Prepared Food	Applies to delivery of prepared food	Does not apply to delivery of prepared food
Groceries	Does not apply to most grocery items	Does not apply to deliveries by a food and beverage service establishment
Transportation Mode	Does not apply if delivery is made entirely without the use of a motor vehicle (e.g. bicycle, e-bicycle, scooter, e-scooter, moped)	Applies to deliveries made by <u>any</u> transportation mode (including bicycles, scooters, mopeds)
In-Store Pick-up	Does not apply to buy-online-pickup-in-store transactions	Does not apply to buy-online-pickup-in-store transactions
Transaction Occurrence	Fee applies once per transaction, regardless of the number of shipments needed to deliver the purchased items	Fee applies once per transaction, regardless of the number of shipments needed to deliver the purchased items
Collection	Provides businesses a choice whether to itemize the fee	Provides businesses a choice whether to itemize the fee
Threshold Amount	No threshold amount	Applies to deliveries with a retail price of \$100 or more
Retailer Sales	Does not apply to retailers making sales totaling less than \$500,000 annually	Does not apply to retailers making sales totaling less than \$1 million annually

* Fee is adjusted for inflation; was 27 cents from July 1, 2022-June 30, 2023 and 28 cents from July 1, 2023-June 30, 2024.

** Revenue collected in [calendar year 2023](#).

+Forecasted for [July 1, 2024-June 30, 2025](#).

Delivery Assessments Under Consideration

The state of Washington included a proviso in its 2023-2025 transportation budget ([ESHB 1125](#)) to study a statewide retail delivery fee on orders of taxable retail items delivered by motor vehicles. The study, [Retail Delivery Fee Analysis](#), provides background information, multiple retail delivery fee scenarios, and a revenue planning tool to inform Washington State for their consideration of such a fee. The study concluded that a retail delivery fee of 30-cents per order could generate between \$45 and \$112 million in 2026, growing to between \$59 and \$160 million by 2030.

Maryland, Ohio, Nevada, and New York, as well as New York City, have recently considered legislation to collect fees on retail deliveries. Maryland's [proposed retail delivery fee](#) would assess a 50-cent fee for any retail delivery in the state with at least one item subject to the state sales tax, with exemptions similar to those in Colorado. If this fee is imposed, it is projected to generate over \$150 million annually starting in 2026. According to the Retail Delivery Fee Analysis completed for the Washington State Legislature, Ohio projected that a 50-cent per delivery fee would generate \$306 million in its first year, and a 75-cents delivery fee proposed in Nevada would generate \$100 million in its first year.

New York State legislature is debating a similar [25-cent statewide fee](#) that would apply to transactions resulting in the delivery of personal tangible property from a retail sale, whether purchased online or not, within the state. Two bills are also under consideration that would apply to New York City with delivery fees ranging between [25 cents](#) and [\\$3 per delivery](#). Some of the proposed fees would exempt items such as diapers, baby formula, medicines, food, and items purchased under the Supplemental Nutrition Assistance Program (SNAP).

Potential Revenues

To estimate potential revenue if a retail delivery fee were enacted in Massachusetts, MAPC modeled revenue assuming a policy similar to Colorado's. MAPC used the revenues collected by Colorado in calendar year 2023 and their estimated number of deliveries subject to the fee in the same year. With these data, MAPC derived an estimated per capita revenue, and applied that per capita revenue to Massachusetts 2023 population estimates.⁴

⁴ Colorado is the only state with retail delivery fee revenues available. Minnesota's retail delivery fee began July 1, 2024, and Minnesota Department of Revenue used Colorado's estimates as a part of their projected deliveries and revenue.

In calendar year 2023, Colorado collected \$88.9 million in revenue which equates to approximately 323.3 million deliveries subject to the retail delivery fee. By broadly applying Colorado's estimated per capita deliveries⁵, **27-cent retail delivery fee**, and 2023 revenue figures to Massachusetts' population, MAPC estimates that Massachusetts could have collected **approximately \$104 million** from 385 million deliveries during the same period. With a **50-cent retail delivery fee**, the potential annual revenue could be **\$192.5 million**. (See **Appendix** for more information on revenue estimates.)

Potential Revenue Example

Estimate potential revenue if a retail delivery fee were enacted in Massachusetts. MAPC modeled revenue assuming a policy similar to Colorado's, **collecting revenue from approximately 385 million deliveries**.

- MAPC used the revenues collected by Colorado in calendar year 2023 and their estimated number of deliveries subject to the fee in the same year
- By broadly applying Colorado's estimated per capita deliveries, 27-cent retail delivery fee, and 2023 revenue figures to Massachusetts' population

As noted earlier, MAPC could find no publicly available estimates on the number of retail deliveries in Massachusetts, or the number of food order deliveries made by automobile compared to other modes. The estimate of 385 million annual deliveries in Massachusetts that could be subject to a retail delivery fee assumes similar consumer and delivery patterns as Colorado. This estimate is less than MAPC's estimate of 445-448 million annual package deliveries and 120-151 million annual rapid food deliveries in the Commonwealth. (See **Appendix** for more information on package and rapid food delivery estimates). This is reasonable, given that a substantial number of deliveries would likely be exempt from a potential retail delivery fee. These exemptions could include retailers making sales totaling less than \$500,00 annually, deliveries made by bicycle or those picked up by the customer, items not subject to a sales tax, groceries, or deliveries of medical devices and prescriptions. Moreover, there are often packages delivered by USPS, FedEx, and UPS that are not e-commerce/retail deliveries, such as gifts from families and friends. Therefore, our estimate of retail and deliveries that might be subject to a similar retail delivery fee is judicious and is our best approximation in the absence of more detailed data from delivery companies.

⁵ Estimates developed by applying Colorado's 2023 per capita retail deliveries and [delivery fee revenues](#) to Massachusetts' population, using [2023 Census population estimates](#) for both states. See Appendix.

Recommendations

- **Require Retail Delivery Data Reporting to the Commonwealth**

Legislation should be developed for data sharing requirements that, at a minimum, include data on precise trip origins, destinations, time spent at the curb, and time of day. This would require delivery companies to report retail delivery data to the Commonwealth that mirrors the requirements that are in place for ride-hailing services (Uber, Lyft). The Massachusetts Department of Public Utilities and MassDOT should maintain, manage, and publish the data. In the 2023-2024 Massachusetts Legislative Session, legislators considered [S.2367/H.3372 An Act relative to third party delivery data reporting](#), which would have required data reporting to address this gap in information.

- **Explore the Issuance of a Retail Delivery Fee for the Commonwealth**

The Commonwealth should consider the issuance of a retail delivery fee, but must first conduct a thorough analysis of e-commerce and food delivery trends to evaluate various approaches for fee assessments. The Commonwealth will need to determine what items would be subject to the fee, which transportation initiatives should receive support from the fee, determine which items are exempt from the fee, projected revenue targets, and investigate the option of dedicating a portion of the fee to the municipalities where the deliveries originate and/or terminate.

- **Ensure Retail Delivery Fees do not Disproportionately Impact Small Businesses**

Like Colorado and Minnesota, Massachusetts should ensure small businesses are not disproportionately impacted by a retail delivery fee. It should be noted that Colorado's legislation states that "the benefits from the fee revenue need to be balanced with the potential impacts on the retailers" and that the fee should only be applied to retailers large enough to "absorb the administrative costs without significant economic harm."⁶

- **Provide a Clear Mechanism for Businesses to Track, Collect, and Remit a Retail Delivery Fee**

Retail delivery fees will introduce an added compliance challenge for businesses, requiring them to determine how to invoice, collect, and remit these fees. The reporting and payment of retail delivery fees should not be unreasonably burdensome for businesses, and legislation should consider the complexities businesses face in tracking, collecting, and remitting a retail delivery fee. For example, in response to feedback from the business community, Colorado

⁶ [C.R.S. 43-4-218](#), section (1) (d.3) and (d.7).

made modifications to ease the burden of collecting and remitting the retail delivery fee after it was adopted.

- **Engage with the Business Community**

Engage early and consistently with the business community, including major stakeholders such as Amazon and Uber Eats, throughout the entire process of developing a retail delivery fee. This engagement should involve open dialogue and collaborative discussions to ensure that the perspectives and concerns of the business community are adequately considered, and to avoid disproportional impacts on small businesses. By maintaining continuous engagement, the Commonwealth can work towards creating a balanced and effective fee structure that addresses the needs of all parties involved.

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Table 2. Summary of Retail Delivery Fees in Colorado and Minnesota

Location	Description	Exemptions	Revenue Allocation	Legislation Link	Other Links
Colorado	<p>Adopted 2021. Fee of \$0.28 (\$0.29 in FY25) on all deliveries by motor vehicle to a location in Colorado with at least one item of tangible personal property subject to state sales or use tax.</p> <p>Examples of retail items where the fee applies include deliveries of prepared meals, non-food grocery items.</p> <p>Applies whether the business operates the deliveries itself or uses a third-party delivery.</p> <p>Fee applies once per transaction, regardless of the number of shipments needed to deliver the purchased items.</p> <p>Fee adjusted annually for inflation. Fee in first year (FY23) was \$0.27 and set at \$0.28 in FY24 and \$0.29 in FY25.</p> <p>Businesses submit payment to the CO Dept. of Revenue similarly to the submission of sales taxes.</p>	<p>Does not apply to items purchased where no sales/use tax applied, such as groceries.</p> <p>Does not apply to medicines or medical devices prescribed by a health care professional.</p> <p>Other exemptions include retailers with in-state retail sales less than \$100,000 or total retail sales less than \$500,000, as well as most service calls (house repairs, etc.).</p> <p>Does not apply to items picked up by purchaser, deliveries by non-motor vehicle (e.g., bike).</p> <p>Deliveries to addresses outside Colorado are exempt, because the buyer is exempt from Colorado sales tax.</p>	<p>Revenue allocated to six transportation programs: community access (EV and other non-ICE adoption), clean fleet (non-ICE fleet adoption), clean transit, bridge and tunnel, air pollution mitigation, general.</p>	<p>Colorado Revised Statutes (C.R.S.) §43-4-218</p>	<p>Colorado Department of Revenue Retail Delivery Fee website</p>

Location	Description	Exemptions	Revenue Allocation	Legislation Link	Other Links
Minnesota	<p>Effective 2024, \$0.50 fee on each transaction that is \$100 or more and involves a retail delivery in Minnesota of tangible personal property subject to sales tax, as well as clothing.</p> <p>Fee applies once per transaction, regardless of the number of shipments needed to deliver the purchased items.</p>	<p>Does not apply to items purchased where no sales/use tax applied and transactions less than \$100.</p> <p>Exempts retailers with retail sales of less than \$1 million or marketplace providers that facilitated retail sales of less than \$100,000.</p> <p>Other exemptions include: 1) Deliveries by a food and beverage service establishment, whether made by a third-party or the actual establishment, 2) Items picked up by the purchaser, 3) Deliveries to locations outside of Minnesota</p>	<p>Revenue allocated via new Transportation Advancement Account: 36% to metropolitan counties, 10% to county state-aid highway fund, 15% to larger cities assistance account, 27% to small cities assistance account, 11% to town road account, 1% to food delivery support account.</p>	<p>Minnesota Statute Chapter 168E Retail Delivery Fee</p>	<p>Minnesota Department of Revenue Retail Delivery Fee website</p> <p>Delivery Fee Revenues Projections</p>

Appendix. Methods to Determine Revenue, On-line Package Delivery, and Rapid Food Delivery Estimates in Massachusetts

Steps Outlining Retail Delivery Fee Revenue Estimates for Massachusetts

Estimated annual revenue of \$104 to \$192.5 million in Massachusetts

Step 1 Estimate Colorado's Number of Deliveries and Number of Deliveries Per Capita

In calendar year 2023, Colorado collected \$88,962,988 million in revenue from the retail delivery fee according to the State's Department of Revenue.

Between January 1, 2023 – June 30, 2023, Colorado collected \$42,788,614 in revenue from a retail delivery fee of \$0.27

Between July 1, 2023 – December 31, 2023, Colorado collected \$46,174,374 in revenue from a retail delivery fee of \$0.28

In calendar year 2023, there were an estimated 323,384,827 deliveries in Colorado.

\$42,788,614 [revenue collected between 1/1/23-6/30/23] / \$0.27 [retail delivery fee] = 158,476,348 deliveries

\$46,174,374 [revenue collected between 7/1/23-12/31/23] / \$0.28 [retail delivery fee] = 164,908,479 deliveries

In calendar year 2023, there were 55 deliveries per capita in Colorado.

323,384,827 [estimated number of deliveries in 2023] / 5,877,610 [Colorado's 2023 population] = 55

Step 2 Estimate Massachusetts Number of Deliveries

In calendar year 2023, there were an estimated 385,076,945 deliveries in Massachusetts.

7,001,399 [Massachusetts' 2023 population] x 55 [deliveries per capita in Colorado] = 385,076,945

Step 3 Determine Retail Delivery Fee Revenue Estimates for Massachusetts

385,076,945 [estimated number of deliveries] x \$0.27 [Colorado's retail delivery fee] = \$103,970,755 in revenue

385,076,945 [estimated number of deliveries] x \$0.50 [Minnesota's retail delivery fee] = \$192,538,473 in revenue

Steps Outlining Estimates of Number of On-Line Deliveries in Massachusetts

In calendar year 2022, there were between 445-448 million on-line deliveries in Massachusetts.

Two sources were applied to estimate annual on-line deliveries.

Source 1: U.S. Department of Transportation

According to the [U.S. Department of Transportation's Summary of Travel Trends – 2022 National Household Travel Survey](#), residents aged 16 years and over ordered goods for delivery (e.g., Amazon, Walmart, etc.) an average of 6.37 times per person over the past 30 days. This equates to 76.44 deliveries in a year (6.37 x 12).

76.44 packages x 5,826,990 [MA population in 2023 aged 16 years and over] = 445,415,116 deliveries

Source 2: Capital One Shopping Research

[According to Capital One Shopping Research](#), there were 64 packages shipped per person in 2022.

64 packages x 7,001,399 [MA population in 2023] = 448,089,536 deliveries

Steps Outlining Estimates for Third-Party Prepared Food Delivery Trips in Massachusetts

120-151 million prepared food deliveries estimated in Massachusetts in 2023

MAPC developed a seven-step process to estimate the number of third-party restaurant deliveries in the U.S. and Massachusetts in the report [From App to Table: Rapid Food Deliveries in Massachusetts](#) (December 2022). The process uses industry market share estimates and data published by Business of Apps and YipitData; information in SEC filings from DoorDash, Grubhub, and Uber; ride-hailing industry market share estimates from Statista; and ride-hailing data from the Massachusetts Department of Public Utilities (DPU). Because Business of Apps and YipitData had differing estimates on the market share for third-party deliveries in the U.S., MAPC developed an estimated range of third-party deliveries (shown as Estimate 1 and Estimate 2). *These are only estimates and more detailed data is needed to confirm the scale of these deliveries both nationwide and within Massachusetts.*

The following pages detail the seven-step process and estimates for 2023. For previous years estimates, please see [From App to Table](#) (Appendix A) or contact MAPC at ecommerce@mapc.org.

2023 Rapid Food Delivery Estimates

Step 1 Determine Range of Third-party Food Delivery Market Share Percent in the United States in 2023

	Estimate 1 Market share (%) (Business of Apps*)	Estimate 2 Market share (%) (YipitData†)
DoorDash	67	61
Uber Eats	30	26
Grubhub	08	09

*Business of Apps - DoorDash Revenue and Usage Statistics (2023) <https://www.businessofapps.com/data/doordash-statistics/>
Business of Apps notes their sources are McKinsey and Second Measure Bloomberg.

† YipitData - Third-Party Food Delivery: 2Q22 Update <https://www.yipitdata.com/resources/blog/2q22update3p?rq=third%20party%20delivery>

Step 2 Estimate Number of Third-party Deliveries in the United States (in millions),
based upon market share data in Step 1 and data from DoorDash and Grubhub

	Estimate 1 Market share	Estimate 2 Market share
DoorDash	1,974.00	1,974.00
Uber Eats	740.67	952.29
Grubhub	248.00	248.00
Total	2,962.67	3,174.29

According to DoorDash's SEC Form 10-K Annual Report for FY Ended December 31, 2023 DoorDash had 2.161 billion orders worldwide.
<https://www.sec.gov/ix?doc=/Archives/edgar/data/1792789/000162828024005600/dash-20231231.htm>

Assume that order = trip

DoorDash acquired Wolt in 2022, which expanded their business outside the US. According to Wolt, the app had 150 million online orders in 2022.
<https://blog.wolt.com/hq/2023/12/05/with-over-e-3b-of-sales-generated-in-2022-wolts-role-for-local-businesses-has-become-significant/>

According to their 2023 SEC Report, DoorDash's total orders increased 24.5% over 2022. Assuming Wolt orders also increased 24.5% over 2022, we subtracted Wolt orders (186.75 million), and calculated that DoorDash had 1.974 billion orders in the U.S.

Grubhub was acquired by Just Eat Takeaway in 2021, and there is no 10-K Annual report to calculate Grubhub annual deliveries. Instead, we used 2023 estimated annual Grubhub numbers from Business of Apps: <https://www.businessofapps.com/data/grubhub-statistics/>

Based on DoorDash data of 1.974 billion annual orders and Grubhub data of 248.0 million annual orders, estimated trips for Uber Eats, Grubhub, and others in the U.S. are calculated in Step 2.

Step 3 Estimate Number of Uber Trips in the United States,
based on Uber’s SEC filings

Uber had 9.448 billion trips worldwide in calendar year 2023. This includes Uber (Mobility) and Uber Eats (Delivery).

As of December 31, 2023, Uber operated in approximately 70 countries and markets outside the United States, which accounted for approximately 77% of all trips.

Based on this percentage, there were an estimated 2.17 billion Uber trips in the United States in 2023.

9.448 Billion Worldwide Trips

7.27496 Billion Trips Outside U.S. (77%)

2.17304 Billion Uber Trips in U.S.

According to Uber's SEC Form 10-K Annual Report for FY Ended December 31, 2023, Uber had 9.448 billion trips worldwide. -- p. 50. Trips are defined as the number of completed consumer Mobility or New Mobility rides and Delivery orders in a given period.

Step 4 Estimate Breakdown of Uber’s Passenger Trips and Delivery Trips in the United States (in millions),
based on data from Steps 2 and 3

	Estimate 1	Estimate 2
Passenger and Delivery Trips	2,173.04	2,173.04
Delivery Trips (Uber Eats)	740.67	952.29
Passenger (Uber) Trips	1,432.37	1,220.75

Based on the Uber trips estimate from Step 3 and estimated Uber Eats trips from Step 2, the breakdown of Uber’s Passenger and Delivery (Uber Eats) trips in the United States was estimated in Step 4.

Step 5 Estimate Number of Uber Passenger Trips in Massachusetts

In 2023 in the U.S., Uber had 74% of the ride-hail market share and Lyft 26% of the ride-hail (TNC) market share.

In 2023 in MA, there were 78.7 million TNC passenger trips.

Based upon the U.S. ride-hail market shares, of the 78.7 million trips in MA, estimate that 20.46 million were Lyft trips and 58.24 million were Uber trips.

Market share of the leading ride-hailing companies in the United States, <https://www.statista.com/statistics/910704/market-share-of-rideshare-companies-united-states/>

MA Department of Public Utilities 2023 Rideshare Data Report: <https://www.mass.gov/info-details/2023-rideshare-data-report>

Step 6 Estimate Number of Uber Delivery Trips (Uber Eats) in Massachusetts (in millions), based on data from Steps 4 and 5

	Estimate 1	Estimate 2
Delivery Trips (Uber Eats)	20.59	32.43

Step 6 estimate is based on estimated number of Uber Delivery Trips in the U.S. (Step 4) X estimated number of Uber Delivery Trips in MA (Step 5) / Estimated number of Uber Passenger Trips in the U.S. (Step 4).

Step 7 Estimate Number of Third-party Deliveries in the Massachusetts (in millions), based on data from Step 1 and estimates from Step 6

	Estimate 1	Estimate 2
DoorDash	80.71	92.38
Uber Eats	30.12	45.43
Grubhub	9.64	13.63
Total	120.46	151.44

Based upon the estimated Uber Eats Delivery Trips in MA in Step 6 and the market shares of Uber Eats, DoorDash, and Grubhub in the U.S. in Step 1, the estimated total delivery trips in Massachusetts were calculated in Step 7.