



Notice

Sales Tax Instructions for New Permit Holders

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Tax Commissioner

Rate of Taxation

1. Tax is charged based on the location where the customer takes possession of the item being sold.
2. North Dakota has 3 different sales, use, and gross receipts tax rates:
 - a. 3% on the purchases of new farm machinery, irrigation equipment or mobile homes.
 - b. 7% on all alcohol beverages sold on or off-sale.
 - c. 5% on all other retail sale transactions or use tax declarations.
3. In addition to the state rates, there are a number of North Dakota cities and counties that impose a local sales, use, and gross receipts tax. The Tax Department provides a guideline, **Local Option Taxes by Location**, that lists the cities and counties and their corresponding local option tax. The guideline is included with your permit.
 - a. The Local Option Taxes guideline is updated quarterly.
 - b. You can access the Guideline on our web site at: www.nd.gov/tax/salesanduse/pubs/.
 - i. Click **Sales Tax Guidelines**, and select **Local Option Taxes by Location** from the listing of guidelines.

Permits

1. Permits are required for each business location making sales in North Dakota.
2. Permits are nontransferable between owners.
3. Permits must be conspicuously displayed. Salespersons and transient merchants must be able to produce the permit upon request.

File Returns and Paying Tax

1. A return must be filed even if there is no activity to declare for the period.
2. North Dakota offers a web-based system to complete and submit all returns for sales, use, and gross receipts taxes.
 - a. To get started filing electronic returns, go to the Tax Department's web site at www.nd.gov/tax and select **Sales and Use**, and click on **Electronic Filing** in the drop down menu.
 - b. Returns can be paid using electronic funds transfer, credit card, or by checks.
3. All returns must be postmarked or submitted the last day of the month following the end of the reporting period.
 - a. If the last day of the month is on a weekend, then the return must be post marked the first business day following the last day of the month.

Use Tax

1. Business are required to pay tax on all items that will be used by the business. There are no exemptions.
2. Items ordered over the Internet or from companies who do not charge North Dakota sales tax must pay a use tax that has accrued during the period in which they were received.
3. Contractors are considered the final user of all materials they install and are required to pay the tax.