



STATE OF NORTH DAKOTA
OFFICE OF STATE TAX COMMISSIONER
Cory Fong, Commissioner

To: McVille Sales, Use and Gross Receipts Tax Permit Holders

From: Office of State Tax Commissioner, Tax Compliance Section

Subject: McVille City Sales, Use and Gross Receipts Tax Increase

Date: April 8, 2010

At the present time, the city of McVille has a one percent (1%) city sales, use and gross receipts tax in place. ***Effective July 1, 2010, the McVille city sales, use and gross receipts tax will be two percent (2%).*** In addition to the rate change, the following applies:

- Maximum Tax (Refund Cap) is increased to \$50.00 per transaction
- New farm machinery and coin-operated amusement continue to be exempt from tax
- Includes limited exemption for contractors (see the Local Option Tax Guideline for information on this limited exemption: <http://www.nd.gov/tax/salesanduse/pubs/guide/gl-21847.pdf>)
- No sunset clause is provided
- No permit holder compensation is included
- No allowance for contracts bid before the effective date is provided
- Proceeds are intended for funding of proposed Assisted Living Project

The Office of State Tax Commissioner has contracted with the city of McVille to administer the city sales, use and gross receipts tax. Tax is computed by multiplying the taxable purchase by the tax rate and carrying the product to the 3rd decimal place. If the 3rd decimal place is 5 or greater, round up; if it is 4 or less, round down. A Local Option Tax Guideline and Rate Charts are available on our website at www.nd.gov/tax.

Effective July 1, 2010, the combined state and city rates within the city limits of McVille, ***including*** deliveries made into the city by retailers located outside the city limits of McVille, will be as follows:

- General sales and use tax: 7.0 percent (5% state + 2% city)
- New farm machinery: 3.0 percent (3% state + exempt from city)
- Coin-operated amusement: 5.0% (5% state + exempt from city)
- New mobile homes: 5.0 percent (3% state + 2% city)
- Lodging:
 - Hotel, Motel and Tourist Court Accommodations, and Bed & Breakfast Accommodations licensed under North Dakota Century Code ch. 23-09.1: 9.0 percent (5% state + 2% city sales + 2% city lodging)
- Restaurant (sale of food and non-alcoholic beverages): 8.0 percent (5% state + 2% city sales + 1% city lodging and restaurant)

- Alcoholic Beverages:
 - Off-sale alcoholic beverages: 9.0 percent (7% state + 2% city gross receipts)
 - On-sale alcoholic beverages: 9.0 percent (7% state + 2% city gross receipts)

Questions concerning the increase in the McVille city sales, use and gross receipts tax may be directed to the Office of State Tax Commissioner. You may contact the Office of State Tax Commissioner by phone at 701.328.1246, by e-mail at salestax@nd.gov, or by mail at Office of State Tax Commissioner, Tax Compliance Section, 600 E Boulevard, Dept. 127, Bismarck, ND 58505-0599.