



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

To: Hope Sales, Use and Gross Receipts Tax Permit Holders
From: Office of State Tax Commissioner, Tax Compliance Section
Subject: Hope City Sales, Use and Gross Receipts Tax Increase
Date: October 31, 2011

At the present time, the city of Hope has a one percent (1%) city sales, use and gross receipts tax in place. **Effective January 1, 2012, the Hope city sales, use and gross receipts tax will be two percent (2.0%).** In addition to the rate change, the following applies:

- Maximum Tax (Refund Cap) will increase to \$50.00 per transaction
- Exempts coin operated amusement
- Exempts contracts awarded prior to effective date
- Does not include 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>)
- Sunsets July 1, 2031
- No permit holder compensation is included
- Proceeds are intended for Hope Community Development Fund for community and economic development projects

The Office of State Tax Commissioner has contracted with the city of Hope 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 January 1, 2012, the combined state and city rates within the city limits of Hope, **including** deliveries made into the city by retailers located outside the city limits of Hope, will be as follows:

- General sales and use tax: 7 percent (5% state + 2% city + 1% county)
- New farm machinery: 5 percent (3% state + 2% city + 1% county)
- Coin-operated amusement: 5 percent (5% state + exempt from city + exempt from county)
- New mobile homes: 5 percent (3% state + 2% city + 1% county)
- Lodging:
 - Hotel, Motel and Tourist Court Accommodations, and Bed & Breakfast Accommodations licensed under North Dakota Century Code ch. 23-09.1:
7 percent (5% state + 2% city sales + 1% county)
- Restaurant (sale of food and non-alcoholic beverages): 7 percent (5% state + 2% city sales + 1% county)
- Alcoholic Beverages:
 - Off-sale alcoholic beverages: 9 percent (7% state + 2% city gross receipts + 1% county)
 - On-sale alcoholic beverages: 9 percent (7% state + 2% city gross receipts + 1% county)

Questions concerning the Hope 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.