



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

To: Dunseith Sales, Use and Gross Receipts Tax Permit Holders
From: Office of State Tax Commissioner, Tax Compliance Section
Subject: Dunseith City Sales, Use and Gross Receipts Tax Increase
Date: October 29, 2010

At the present time, the city of Dunseith has a one percent (1%) city sales, use and gross receipts tax in place. This tax will sunset December 31, 2010. *The city of Dunseith has adopted an ordinance to impose a 1% city, sales, use and gross receipts tax that will go into effect January 1, 2011.* This new ordinance continues the local tax with no changes. The following continues to apply:

- Will be reported under local tax code 204 on the state sales tax return (Form ST)
- Maximum Tax (Refund Cap) remains at \$25.00 per transaction
- No additional exemptions than what is exempt per state tax
- Includes a 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>)
- Sunset clause will be January 1, 2016
- No permit holder compensation is included
- Applies only to contracts submitted on or after the effective date
- Proceeds are intended for public infrastructure improvements; recreation, economic & job development; and debt retirement

The Office of State Tax Commissioner has contracted with the city of Dunseith 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, 2011, the combined state and city rates within the city limits of Dunseith, **including** deliveries made into the city by retailers located outside the city limits of Dunseith, will be as follows:

- General sales and use tax: 6.0 percent (5% state + 1% city)
- New farm machinery: 4.0 percent (3% state + 1% city)
- Coin-operated amusement: 6.0% (5% state + 1% city)
- New mobile homes: 4.0 percent (3% state + 1% city)
- Lodging:
 - Hotel, Motel and Tourist Court Accommodations, and Bed & Breakfast Accommodations licensed under North Dakota Century Code ch. 23-09.1:
6.0 percent (5% state + 1% city sales)
- Restaurant (sale of food and non-alcoholic beverages): 6.0 percent (5% state + 1% city sales)
- Alcoholic Beverages:
 - Off-sale alcoholic beverages: 8.0 percent (7% state + 1% city gross receipts)
 - On-sale alcoholic beverages: 8.0 percent (7% state + 1% city gross receipts)

Questions concerning the increase in the Dunseith 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.