



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

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

At the present time, the city of Strasburg has a one percent (1%) city sales, use and gross receipts tax in place. **Effective January 1, 2011, the Strasburg city sales, use and gross receipts tax will be two percent (2%).** In addition to the rate change, the following applies:

- No Maximum Tax (Refund Cap); Refund Cap is eliminated
- Additional exemption for coin-operated amusement
- No 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
- Permit holder compensation is included
- Proceeds are intended: 50% - capital improvements and economic development; 50% - infrastructure maintenance and improvement

The Office of State Tax Commissioner has contracted with the city of Strasburg 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 Strasburg, **including** deliveries made into the city by retailers located outside the city limits of Strasburg, will be as follows:

- General sales and use tax: 7 percent (5% state + 2% city)
- New farm machinery: 5 percent (3% state + 2% city)
- Coin-operated amusement: 7 percent (5% state + 2% city)
- New mobile homes: 5 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:
7 percent (5% state + 2% city sales)
- Restaurant (sale of food and non-alcoholic beverages): 7 percent (5% state + 2% city sales)
- Alcoholic Beverages:
 - Off-sale alcoholic beverages: 9 percent (7% state + 2% city gross receipts)
 - On-sale alcoholic beverages: 9 percent (7% state + 2% city gross receipts)

Questions concerning the increase in the Strasburg 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.