



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

To: Bowman Sales and Gross Receipts Tax Permit Holders
From: Office of State Tax Commissioner, Tax Compliance Section
Subject: Bowman Sales and Gross Receipts Tax
Date: October 31, 2012

At the present time, the city of Bowman has a one percent (1%) city sales, use and gross receipts tax in place. This tax is scheduled to sunset December 31, 2012. ***Effective January 1, 2013, the Bowman city sales, use and gross receipts tax will continue and remain at one percent (1%).*** No other changes were made to the ordinance. The following applies:

- No change in Maximum Tax (Refund Cap) –remains at \$25 per sale
- New farm machinery is exempt
- 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>)
- Sunset date is December 31, 2018
- No permit holder compensation is included
- Proceeds will continue to be used for advancement and improvement of healthcare

The Office of State Tax Commissioner has contracted with the city of Bowman 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, 2013, the combined state and city rates within the city limits of Bowman will be as follows:

- General sales and use tax: 6 percent (5% state + 1% city)
- New farm machinery: 3 percent (3% state + exempt city)
- New farm irrigation equipment: 4 percent (3% state + 1% city)
- New mobile homes: 4 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:
8 percent (5% state + 1% city sales + 2% city lodging)
- Restaurant (sale of food and non-alcoholic beverages): 7 percent (5% state + 1% city sales + 1% city lodging and restaurant)
- Alcoholic Beverages:
 - Off-sale alcoholic beverages: 8 percent (7% state + 1% city gross receipts)
 - On-sale alcoholic beverages: 8 percent (7% state + 1% city gross receipts + 1% city lodging and restaurant)

Questions concerning the Bowman 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.