



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

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

At the present time, the city of Steele has a two percent (2%) city sales, use and gross receipts tax in place. ***Effective January 1, 2013, the Steele city sales, use and gross receipts tax will remain at two percent (2%), but the \$25.00 per sale maximum tax (refund cap) will be eliminated.*** No other changes were made to the ordinance. The following applies:

- No Maximum Tax (Refund Cap)
- No additional exemptions other than allowed by state tax law
- 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 date is provided
- No permit holder compensation is included
- Proceeds will continue to be used for economic development and community healthcare

The Office of State Tax Commissioner has contracted with the city of Steele 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 3<sup>rd</sup> decimal place. If the 3<sup>rd</sup> 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](http://www.nd.gov/tax).

Effective January 1, 2013, the combined state and city rates within the city limits of Steele will be as follows:

- General sales and use tax: 7 percent (5% state + 2% city)
- New farm machinery: 5 percent (3% state + 2% city)
- New farm irrigation equipment: 5 percent (3% 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:  
9 percent (5% state + 2% city sales + 2% city lodging)
- Restaurant (sale of food and non-alcoholic beverages): 6 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 Steele 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](mailto:salestax@nd.gov), or by mail at Office of State Tax Commissioner, Tax Compliance Section, 600 E Boulevard, Dept. 127, Bismarck, ND 58505-0599.