



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

To: Hazen Sales, Use and Gross Receipts Tax Permit Holders
From: Office of State Tax Commissioner, Tax Compliance Section
Subject: Hazen Sales, Use and Gross Receipts Tax
Date: October 31, 2013

At the present time, the city of Hazen has a one percent (1%) city sales, use and gross receipts tax in place. ***Effective January 1, 2014, the Hazen city sales, use and gross receipts tax will be one and one half percent (1-1/2%).*** The following applies:

- Maximum Tax (Refund Cap) – remains at \$25 per sale
- Exempts new farm machinery and new farm irrigation equipment
- Exempts contracts awarded prior to effective date
- 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>)
- Will sunset June 13, 2023
- Permit holder compensation is included
- Proceeds will be used for the Hazen swimming pool repair and improvement

The Office of State Tax Commissioner has contracted with the city of Hazen 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 web site at www.nd.gov/tax.

Effective January 1, 2014, the combined state and city rates within the city limits of Hazen will be as follows:

- General sales and use tax: 6.5 percent (5% state + 1-1/2% city)
- New farm machinery: 3 percent (3% state + exempt city)
- New farm irrigation equipment: 3 percent (3% state + exempt city)
- New mobile homes: 4.5 percent (3% state + 1-1/2% city)
- Lodging:
 - Hotel, Motel and Tourist Court Accommodations, and Bed & Breakfast Accommodations licensed under North Dakota Century Code ch. 23-09.1:
8.5 percent (5% state + 1-1/2% city sales + 2% city lodging tax)
- Restaurant (sale of food and non-alcoholic beverages): 7.5 percent (5% state + 1-1/2% city sales + 1% city lodging and restaurant)
- Alcoholic Beverages:
 - Off-sale alcoholic beverages: 8.5 percent (7% state + 1-1/2% city gross receipts)
 - On-sale alcoholic beverages: 8.5 percent (7% state + 1-1/2% city gross receipts)

Questions concerning the Hazen 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.