



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

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

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

- Maximum Tax (Refund Cap) – remains at \$25 per sale
- Exempts new farm machinery
- 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>)
- No sunset date provided
- No permit holder compensation is included
- Proceeds will be used for water and sewer improvements

The Office of State Tax Commissioner has contracted with the city of Tower City 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 Tower City will be as follows:

- General sales and use tax: 7 percent (5% state + 2% city)
- New farm machinery: 3 percent (3% state + exempt 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:
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 Tower City 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.