



STATE OF NORTH DAKOTA
OFFICE OF STATE TAX COMMISSIONER
Ryan Rauschenberger, Commissioner

To: Washburn Sales, Use, and Gross Receipts Tax Permit Holders
From: Office of State Tax Commissioner, Tax Compliance Section
Subject: Washburn Sales, Use, and Gross Receipts Tax
Date: October 31, 2014

At the present time, the city of Washburn has a two percent (2%) city sales, use, and gross receipts tax in place. ***Effective January 1, 2015, the Washburn 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:

- Maximum Tax (Refund Cap) is eliminated
- No additional exemptions than what is allowed by state law
- 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
- Permit holder compensation is included at 3% with maximum of \$83.33/month or \$250/quarter
- Proceeds will be used for economic and community development, infrastructure, general welfare

The Office of State Tax Commissioner has contracted with the city of Washburn 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, 2015, the combined state and city rates within the city limits of Washburn 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:
7 percent (5% state + 2% city sales)
- Restaurant (sale of food and non-alcoholic beverages): 7 percent (5% state + 2% city)
- 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 Washburn 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.