



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

To: Bottineau Sales, Use and Gross Receipts Tax Permit Holders
From: Office of State Tax Commissioner, Tax Compliance Section
Subject: Bottineau City Sales, Use and Gross Receipts Tax Increase
Date: July 29, 2011

At the present time, the city of Bottineau has a two percent (2%) city sales, use and gross receipts tax in place. Effective September 30, 2011, one percent (1%) will sunset. ***The city of Bottineau has adopted an ordinance to impose a 1% city, sales, use and gross receipts tax that will go into effect October 1, 2011.*** This new ordinance continues the local tax with no changes. The following continues to apply:

- Maximum Tax (Refund Cap) remains at \$50.00 per transaction
- New farm equipment remains exempt from local tax
- New farm irrigation equipment remains exempt from local tax
- Exempts contracts awarded prior to effective date
- Limited exemption for contractors remains (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 clause is provided
- Permit holder compensation remains at 3%, with maximum compensation \$50/month; \$150/quarter
- Proceeds are intended for street improvement, repairs and maintenance and for curb and gutter installation

The Office of State Tax Commissioner has contracted with the city of Bottineau 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 October 1, 2011, the combined state and city rates within the city limits of Bottineau, ***including*** deliveries made into the city by retailers located outside the city limits of Bottineau, will remain as follows:

- General sales and use tax: 7 percent (5% state + 2% city)
- New farm machinery: 3 percent (3% state + exempt)
- New farm irrigation equipment: 3 percent (3% state + exempt)
- Coin-operated amusement: 7 percent (5% 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 increase in the Bottineau 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 Ave., Dept. 127, Bismarck, ND 58505-0599.