



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

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

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

- Maximum Tax (Refund Cap) is eliminated
- No additional exemptions than what is allowed by state law
- 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
- Permit holder compensation is not included
- Proceeds will be used for economic and job development (25%) and infrastructure improvement (75%)

The Office of State Tax Commissioner has contracted with the city of West Fargo 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, 2014, the combined state and city rates within the city limits of West Fargo will be as follows:

- General sales and use tax: 7.5 percent (5% state + 2% city + ½% county tax)
- New farm machinery: 5.5 percent (3% state + 2% city + ½% county tax)
- New farm irrigation equipment: 5.5 percent (3% state + 2% city + ½% county tax)
- New mobile homes: 5.5 percent (3% state + 2% city + ½% county tax)
- Lodging:
 - Hotel, Motel and Tourist Court Accommodations, and Bed & Breakfast Accommodations licensed under North Dakota Century Code ch. 23-09.1:
7.5 percent (5% state + 2% city sales + ½% county tax)
- Restaurant (sale of food and non-alcoholic beverages): 7.5 percent (5% state + 2% city sales + ½% county tax)
- Alcoholic Beverages:
 - Off-sale alcoholic beverages: 9.5 percent (7% state + 2% city gross receipts + ½% county tax)
 - On-sale alcoholic beverages: 9.5 percent (7% state + 2% city gross receipts + ½% county tax)

Questions concerning the West Fargo 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.