



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

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**To:** Forman Sales and Gross Receipts Tax Permit Holders  
**From:** Office of State Tax Commissioner, Tax Compliance Section  
**Subject:** Forman Sales and Gross Receipts Tax  
**Date:** January 31, 2012

At the present time, the city of Forman has a one percent (1%) city sales, use and gross receipts tax in place. ***Effective April 1, 2012, the Forman city sales, use and gross receipts tax will be one and one half percent (1-1/2%).*** The following applies:

- No change in Maximum Tax (Refund Cap) –remains at \$25 per sale
- No additional exemptions than what is exempt per state tax
- Does not exempt contracts awarded prior to effective date
- Includes 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 is provided; however after 2013, the ½% dedicated to the park board will go to the city general fund
- No permit holder compensation is included
- Proceeds will be divided as follows: ½% allocated to the park board until 2013, then that ½% will go to the city general fund; 1% is allocated to debt repayment that has provided infrastructure improvements

The Office of State Tax Commissioner has contracted with the city of Forman to administer the city sales and gross receipts tax. Tax is computed by multiplying the taxable purchase by the tax rate and carrying the product to the 3<sup>rd</sup> decimal place. If the 3<sup>rd</sup> 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](http://www.nd.gov/tax).

Effective April 1, 2012, the combined state and city rates within the city limits of Forman will be as follows:

- General sales and use tax: 6.5 percent (5% state + 1-1/2% city)
- New farm machinery: 4.5 percent (3% state + 1-1/2% city)
- New farm irrigation equipment: 4.5 percent (3% state + 1-1/2% city)
- Coin-operated amusement: 6.5 percent (5% state + 1-1/2% 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:  
6.5 percent (5% state + 1-1/2% city sales)
- Restaurant (sale of food and non-alcoholic beverages): 6.5 percent (5% state + 1-1/2% city sales)
- 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 Forman city sales 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](mailto:salestax@nd.gov), or by mail at Office of State Tax Commissioner, Tax Compliance Section, 600 E Boulevard, Dept. 127, Bismarck, ND 58505-0553.