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

To: Crosby Sales, Use and Gross Receipts Tax Permit Holders

From: Office of State Tax Commissioner, Tax Compliance Section

Subject: Crosby Sales, Use and Gross Receipts Tax

Date: January 31, 2013

At the present time, the city of Crosby has a one percent (1%) city sales, use and gross receipts tax in place. ***Effective April 1, 2013, the Crosby city sales, use and gross receipts tax will be two percent (2%)***. The following applies:

- Maximum Tax (Refund Cap) –increases to $50 per sale
- Exempts new farm machinery
- Does not exempt 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)
- Will sunset March 31, 2018
- No permit holder compensation is included
- Proceeds will be used for community wellness center and park enhancements, recreation, and administrative expenses

The Office of State Tax Commissioner has contracted with the city of Crosby 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 April 1, 2013, the combined state and city rates within the city limits of Crosby 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:
      8 percent (5% state + 2% city sales + 1% city lodging tax)

- 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 Crosby 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.