



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

To: Tioga Sales, Use and Gross Receipts Tax Permit Holders
From: Office of State Tax Commissioner, Tax Compliance Section
Subject: Tioga Sales, Use and Gross Receipts Tax
Date: January 31, 2013

At the present time, the city of Tioga has a two percent (2%) city sales, use and gross receipts tax in place. ***Effective April 1, 2013, the Tioga city sales, use and gross receipts tax will be two and one half percent (2.5%).*** The following applies:

- No change in Maximum Tax (Refund Cap) - remains at \$25 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>)
- No sunset date
- No permit holder compensation is included
- Proceeds will be used for Tioga Medical Center

The Office of State Tax Commissioner has contracted with the city of Tioga 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 Tioga will be as follows:

- General sales and use tax: 7.5 percent (5% state + 2.5% city)
- New farm machinery: 3 percent (3% state + exempt city)
- New farm irrigation equipment: 5.5 percent (3% state + 2.5% city)
- New mobile homes: 5.5 percent (3% state + 2.5% city)
- Lodging:
 - Hotel, Motel and Tourist Court Accommodations, and Bed & Breakfast Accommodations licensed under North Dakota Century Code ch. 23-09.1:
9.5 percent (5% state + 2.5% city sales + 2% city lodging tax)
- Restaurant (sale of food and non-alcoholic beverages): 7.5 percent (5% state + 2.5% city sales)
- Alcoholic Beverages:
 - Off-sale alcoholic beverages: 9.5 percent (7% state + 2.5% city gross receipts)
 - On-sale alcoholic beverages: 9.5 percent (7% state + 2.5% city gross receipts)

Questions concerning the Tioga 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.