



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

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

At the present time, the city of Minnewaukan has a one and one half percent (1.5%) city sales, use and gross receipts tax in place. **Effective July 1, 2011, the Minnewaukan city sales, use and gross receipts tax will be two percent (2%).** In addition to the rate change, the following applies:

- No Maximum Tax (Refund Cap) remains
- Additional exemption continues for new farm machinery and new farm irrigation equipment
- 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>)
- Exempts contracts awarded prior to effective date
- No sunset clause is provided
- No permit holder compensation is included
- Proceeds are intended for infrastructure maintenance and/or improvements and to access grant funds that may require local matching

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

- General sales and use tax: 7 percent (5% state + 2% city)
- New farm machinery: 3 percent (3% state + exempt from city)
- New farm irrigation equipment: 3 percent (3% state + exempt from 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 Minnewaukan 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.