



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

To: Fargo Sales and Gross Receipts Tax Permit Holders
From: Office of State Tax Commissioner, Tax Compliance Section
Subject: Fargo Sales and Gross Receipts Tax
Date: April 30, 2012

At this time, the city of Fargo has a two percent (2%) city sales, use, and gross receipts tax in place. One half percent (.5%) of the current city tax will sunset effective June 30, 2012. **Effective July 1, 2012, the Fargo city sales, use, and gross receipts tax will be one and one half percent (1.5%).** In addition to this new tax, the following applies:

- Maximum tax (refund cap) will decrease to \$37.50 per transaction

The Office of State Tax Commissioner has contracted with the city of Fargo 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 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 July 1, 2012, the combined state and city rates within the city limits of Fargo will be as follows:

- General sales and use tax: 6.5 percent (5% state + 1.5% city)
- New farm machinery: 4.5 percent (3% state + 1.5% city)
- New farm irrigation equipment: 4.5 percent (3% state + 1.5% city)
- Coin-operated amusement: 5 percent (5% state + exempt from city tax)
- New mobile homes: 4.5 percent (3% state + 1.5% 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 + 1.5% city sales + 3% city lodging tax)
- Restaurant (sale of food and non-alcoholic beverages): 6.5 percent (5% state + 1.5% city sales)
- Alcoholic Beverages:
 - Off-sale alcoholic beverages: 8.5 percent (7% state + 1.5% city gross receipts)
 - On-sale alcoholic beverages: 8.5 percent (7% state + 1.5% city gross receipts)

Questions concerning the Fargo 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, or by mail at Office of State Tax Commissioner, Tax Compliance Section, 600 E. Boulevard Ave., Dept. 127, Bismarck, ND 58505-0553.