



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

To: Velva Sales, Use and Gross Receipts Tax Permit Holders
From: Office of State Tax Commissioner, Tax Compliance Section
Subject: Velva Sales, Use and Gross Receipts Tax
Date: April 30, 2014

At the present time, the city of Velva has a two percent (2%) city sales, use and gross receipts tax in place. Effective June 30, 2014, one percent (1%) will sunset. ***Effective July 1, 2014, the Velva city sales, use and gross receipts tax will be one percent (1%).*** The following applies:

- Maximum Tax (Refund Cap) - remains at \$25/sale
- Exempts 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>)
- No sunset date
- No permit holder compensation
- Proceeds will be used for infrastructure

The Office of State Tax Commissioner has contracted with the city of Velva 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 website at www.nd.gov/tax.

Effective July 1, 2014, the combined state, city, and county rates within the city limits of Velva will be as follows:

- General sales and use tax: 6 percent (5% state + 1% city)
- New farm machinery: 3 percent (3% state + exempt city)
- New farm irrigation equipment: 3 percent (3% state + exempt city)
- New mobile homes: 4 percent (3% state + 1% city)
- Lodging:
 - Hotel, Motel and Tourist Court Accommodations, and Bed & Breakfast Accommodations licensed under North Dakota Century Code ch. 23-09.1:
6 percent (5% state + 1% city sales)
- Restaurant (sale of food and non-alcoholic beverages): 6 percent (5% state + 1% city sales)
- Alcoholic Beverages:
 - Off-sale alcoholic beverages: 8 percent (7% state + 1% city gross receipts)
 - On-sale alcoholic beverages: 8 percent (7% state + 1% city gross receipts)

Questions concerning the Velva 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.