



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

---

**To:** Drayton Sales, Use and Gross Receipts Tax Permit Holders  
**From:** Office of State Tax Commissioner, Tax Compliance Section  
**Subject:** Drayton City Sales, Use and Gross Receipts Tax Increase  
**Date:** July 29, 2010

At the present time, the city of Drayton has a one percent (1%) city sales, use and gross receipts tax in place. **Effective October 1, 2010, the Drayton city sales, use and gross receipts tax will be one and one half percent (1.5%).** In addition to the rate change, the following applies:

- Maximum Tax (Refund Cap) remains at \$25.00 per transaction
- No additional exemptions than what is exempt per state tax
- Includes 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 clause is provided
- No permit holder compensation is included
- Applies only to contracts submitted on or after the effective date
- Proceeds are intended for funding of Drayton swimming pool

The Office of State Tax Commissioner has contracted with the city of Drayton 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 3<sup>rd</sup> decimal place. If the 3<sup>rd</sup> 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](http://www.nd.gov/tax).

Effective October 1, 2010, the combined state and city rates within the city limits of Drayton, **including** deliveries made into the city by retailers located outside the city limits of Drayton, 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)
- Coin-operated amusement: 6.5 percent (5% state + 1.5% city)
- New mobile homes: 4.5 percent (3% state + 1.5% city)
- Lodging:
  - o Hotel, Motel and Tourist Court Accommodations, and Bed & Breakfast Accommodations licensed under North Dakota Century Code ch. 23-09.1: 6.5 percent (5% state + 1.5% city sales)
- Restaurant (sale of food and non-alcoholic beverages): 6.5 percent (5% state + 1.5% city sales)
- Alcoholic Beverages:
  - o Off-sale alcoholic beverages: 8.5 percent (7% state + 1.5% city gross receipts)
  - o On-sale alcoholic beverages: 8.5 percent (7% state + 1.5% city gross receipts)

Questions concerning the increase in the Drayton 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](mailto:salestax@nd.gov), or by mail at Office of State Tax Commissioner, Tax Compliance Section, 600 E Boulevard, Dept. 127, Bismarck, ND 58505-0599.