



Guideline

Sales Tax

Primary Sector Development Exemption

Cory Fong
Tax Commissioner

August 2011

Types of Application Letters

- Request for up-front tax exemption for computer and telecommunications equipment purchased by primary sector business.
- Request for refund of tax previously paid by primary sector business or their contractors.
 - Requires copies of all qualifying invoices be sent to Tax Commissioner for review.

Definition of Primary Sector Company

- Business through the employment of knowledge or labor adds volume to a product, process, or service which results in the creation of new wealth.
- Business must have been certified by the North Dakota Department of Commerce as a primary sector company.

Information to Include in Application Letter

- Owner and location of primary sector project.
- Describe the project and why it qualifies for the exemption
 - New business or a physical or economic expansion
- Estimated duration of project
- Estimated cost of project and portion applicable to materials

Tangible Personal Property Qualifying for Exemption (not inclusive list)

- Computer equipment and related software
- Monitor/Display units
- Printers
- Optical readers
- Telecommunications equipment
- Replacement equipment does not qualify

Tangible Personal Property Installed by Contractor

- Contractor must pay tax on what they purchase and attach to real property.
 - Primary sector business may apply for refund of tax paid by contractor.
 - Primary sector business must acquire copies of invoices from contractor.
- Contractor is not responsible for tax on approved computer or telecommunications equipment purchased by a primary sector business and attached to real property by a contractor.

Submit application letter to:
Susan Rood
Sales & Special Taxes Section
Office of State Tax Commissioner
600 E. Blvd. Ave., Dept. 127
Bismarck, ND 58505-0599

Phone: 701.328.3389
FAX: 701.328.0336
Email: srood@nd.gov

21841