



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

To: Harwood Sales, Use and Gross Receipts Tax Permit Holders
From: Office of State Tax Commissioner, Tax Compliance Section
Subject: Harwood City Sales, Use and Gross Receipts Tax Increase
Date: November 25, 2008

The city of Harwood has adopted an ordinance to impose a 1 percent city sales, use and gross receipts tax that will go into effect January 1, 2009. The Harwood city tax is in addition to the state sales tax already in place. The tax will be remitted under local code 222 on the state sales tax return (Form ST). The ordinance provides for a maximum tax (refund cap) of \$25.00 per transaction and does not provide for Permit Holder Compensation. The ordinance does not provide for any other exemptions, other than those provided for by state law.

The Office of State Tax Commissioner has contracted with the city of Harwood 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, or can be obtained by contacting our office.

Effective January 1, 2009, the combined state and city rates within the city limits of Harwood, **including** deliveries made into the city by retailers located outside the city limits of Harwood, will be as follows:

- General sales and use tax: 6.0 percent (5% state + 1% city)
- Natural gas: 2.0 percent (1% state + 1% city)
- New farm machinery and new farm irrigation equipment: 4.0 percent (3% state + 1% city)
- New mobile homes: 4.0 percent (3% state + 1% city)
- Coin-operated amusement: 6.0 percent (5% state + 1% city)
- Lodging:
 - o Hotel, Motel and Tourist Court Accommodations, and Bed & Breakfast Accommodations licensed under North Dakota Century Code ch. 23-09.1: 6.0 percent (5% state + 1% city sales)
- Restaurant (sale of food and non-alcoholic beverages): 6.0 percent (5% state + 1% city sales)
- Alcoholic Beverages:
 - o Off-sale alcoholic beverages: 8.0 percent (7% state + 1% city gross receipts)
 - o On-sale alcoholic beverages: 8.0 percent (7% state + 1% city gross receipts)

Questions concerning the Harwood 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.