



To: Sales, Use, and Gross Receipts Tax Permit Holders
Subject: Local Tax Changes Effective January 1, 2017
Date: October 31, 2016

The following summarizes local option tax changes effective January 1, 2017. For additional information:
www.nd.gov/tax/salesanduse/streamlinetax

Carrington

At the present time, the city of Carrington has a two percent (2%) city sales, use, and gross receipts tax in place. Effective December 31, 2016, one percent (1%) will sunset. Effective January 1, 2017, the city of Carrington has adopted an ordinance to replace the one percent (1%) tax that ceased. This new ordinance continues the local tax at two percent (2%).

- New farm machinery and new farm irrigation equipment are exempt for the entire 2% local rate
- Maximum tax (Refund Cap) remains at \$25/sale

Cavalier

At the present time, the city of Cavalier has a two percent (2%) city sales, use, and gross receipts tax in place. Effective December 31, 2016, one half percent (.5%) will sunset. Effective January 1, 2017, the city of Cavalier has adopted an ordinance to continue the one half percent (.5%) tax that ceased. This new ordinance continues the local tax at two percent (2%). No additional changes were made.

- Maximum tax (Refund Cap) remains at \$37.50/sale

Crosby

At the present time, the city of Crosby has a three percent (3%) city sales, use, and gross receipts tax in place. Effective December 31, 2016, one percent (1%) will sunset. Effective January 1, 2017, the city of Crosby has adopted an ordinance to replace the one percent (1%) tax that ceased. This new ordinance continues the local tax at three percent (3%). No additional changes were made.

- Maximum tax (Refund Cap) remains at \$75/sale

Ellendale

The city of Ellendale will increase its city sales, use, and gross receipts tax by one percent (1%). The tax rate for Ellendale starting January 1, 2017 will be two percent (2%).

- Maximum tax (Refund Cap) will be \$50/sale

Enderlin

The city of Enderlin currently has a 2% city sales, use and gross receipts tax with a Maximum Tax of \$25 per sale. The tax rate for Enderlin starting January 1, 2017 will remain at 2%, but the Maximum Tax (Refund Cap) will be eliminated. No other changes were made to the ordinance.

Harwood

The city of Harwood will increase its city sales, use, and gross receipts tax by one percent (1%). The tax rate for Harwood starting January 1, 2017 will be two percent (2%).

- Maximum tax (Refund Cap) is eliminated

Hettinger County

Hettinger County will impose a county sales, use, and gross receipts tax of one-half percent (.5%) effective January 1, 2017.

The following gives a brief synopsis of the newly imposed tax:

- Will be reported under local tax code 508
- Includes a Maximum Tax (Refund Cap) of \$25.00 per sale
- Provides no permit holder compensation

Stanley

The city of Stanley will change the dedication of funds collected. Effective January 1, 2017, the revenue from the local tax will be dedicated to municipal and recreational improvements, economic development, public library, and the medical center. No additional changes were made.

Stanley

The city of Stanley will impose a two percent (2%) City Lodging tax effective January 1, 2017. The 2% City Lodging tax will apply to:

- Gross receipts from leasing or renting of hotel, motel or tourist court accommodations for a period of less than 30 consecutive calendar days or one month

Maximum Tax (Refund Cap)

The maximum tax is the amount of tax that may apply to a single transaction. If the purchaser pays more than the maximum tax amount on a purchase, the purchaser may apply to the Tax Commissioner for a refund of any tax paid in excess of the maximum tax. Retailers may voluntarily collect up to the maximum tax amount as a convenience to their customers so the purchasers do not need to apply for a refund. Retailers are not required to calculate maximum tax and may continue to collect tax without regard to the maximum tax. Retailers should be consistent in the method they choose to calculate local taxes.

More information on state and local taxes, including the Local Option Taxes by Location Guideline, is available on our website at www.nd.gov/tax. Rate charts are also available on our website. You may also contact the Tax Compliance Section at 701.328.1246 or by email at salestax@nd.gov.