



Sales Tax Newsletter

News and developments

A publication of the Tax Administration Division

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Tax Commissioner

NOTICE OF LOCAL TAX CHANGES

Under North Dakota law, new local sales and use taxes or changes to existing local taxes may become effective only on the first day of a calendar quarter. Notification about these changes is included in each quarterly Sales Tax Newsletter. If you need more advanced notice, information regarding rate changes, city boundary changes, and ordinance amendments are also available on the Tax Commissioner’s website at least 60 days before the change is effective. The new and local tax information is available at www.nd.gov/tax/salesanduse/streamlinetax/ under the heading of Sales and Use Tax Information.

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Looking for state and local sales tax rates at a particular North Dakota address? This information is also available on our website at www.nd.gov/tax/salesanduse/gis/. State and local rates are available for any address in North Dakota by entering a street address and five digit zip code.

To navigate to this information from the Tax Commissioner’s home page (www.nd.gov/tax), click on Sales and Use on the left side of the page, then select Streamlined Sales and Use to find the most current information about local tax changes; or, select Local Tax Rate (GIS) to find the local tax rate of any particular North Dakota address. 

NEW OR AMENDED LOCAL TAXES

The Office of State Tax Commissioner administers all local sales, use and gross receipts taxes imposed in North Dakota. The following changes will become effective October 1, 2009.

The city of Pembina amended its local sales, use and gross receipts tax with several changes effective October 1. First, the Pembina tax rate increases from 1 to 1½ percent. In addition, the city ordinance raised the maximum tax amount (Refund Cap) from \$25 to \$50.00 per transaction. Finally, new farm machinery will be exempt from the gross receipts tax. All other provisions of the ordinance remain the same effective October 1, 2009.

The city of Rugby has increased its local sales, use and gross receipts tax from 1 to 2 percent. All other provisions of the ordinance remain the same effective October 1, 2009.

The maximum tax amount (Refund Cap) allows purchasers to obtain a refund of the local tax paid to the retailer in excess of the cap amount. When retailers collect the entire local tax on the selling price and the local tax exceeds the refund cap, purchasers may apply to the Tax Commissioner for a refund or credit of the excess amount. Retailers may elect to collect the total tax amount or collect up to the cap amount, but must be consistent in the method they choose.

For a complete listing of all local taxes imposed in North Dakota, see our Local Option Taxes by Location guideline. The guideline is posted to our website and is available by mail upon request. 



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The most common examples of heating fuels are coal in its natural form, beneficiated coal, natural gas, wood, and pellets.

SALES TAX EXEMPTION ON HEATING FUELS

Effective July 1, 2009, all fuels used for heating purposes are exempt from sales and use taxes. The most common examples of heating fuels are coal in its natural form, beneficiated coal, natural gas, wood, and pellets. Some of these products were exempt or taxed at a lower rate prior to July 1. Between January 1, 2008 and June 30, 2009, coal that is exempt from coal severance tax has been exempt from sales tax and natural gas has been subject to a 1 percent sales tax. Natural gas used for all purposes (not just heating) is now exempt from sales tax. The 2007 legislature approved House Bill 1049 to phase out all sales and special fuel taxes on fuels used for heating purposes.

Special fuels (e.g., propane, diesel fuel, biodiesel, kerosene, or propane) used for heating purposes are exempt from both sales tax and special fuels taxes. 

SALES TAX SEMINARS FOR FALL 2009

The Office of State Tax Commissioner will present two sales tax seminars this fall with Revenue Department officials from South Dakota and Minnesota. The seminars focus on the similarities and differences in each state's sales and use tax laws. These seminars are a great source of information for businesses that operate in one or both of these adjoining states. The goal is to help you understand and comply with each state's laws. There is no charge for either of these seminars, but preregistration is required because space is limited. The fall seminar schedule is as follows:

South Dakota/North Dakota Workshop, October 22, 2009

- Registration 8:00 a.m.
- Sales tax seminar 8:30 a.m. – 12:00 p.m.
- Contractor's workshop 1:00 p.m. – 3:00 p.m.
- Located at lower level meeting room, West Acres Shopping Mall, Fargo, ND
- To register, go to www.state.sd.us/revenue, call the South Dakota Department of Revenue at 800-829-9188, or call the North Dakota Tax Commissioner's Office at 701-328-3475

Minnesota/North Dakota Workshop, November 10, 2009

- Registration 8:30 a.m.
- Sales tax seminar 9:00 a.m. – 12:30 p.m.
- Located at lower level meeting room, West Acres Shopping Mall, Fargo, ND
- To register, call the Minnesota Department of Revenue at 651-297-4213, or call the North Dakota Tax Commissioner's Office at 701-328-3475 

TAXPAYER ASSISTANCE

If you have questions regarding sales tax or about correspondence received from our office, the following information will be helpful in ensuring that your call or visit to our office is completed in a speedy and efficient manner:

- For Streamlined Sales and Use Tax information and updates on our web site www.nd.gov/tax, click on *Sales and Use*, then click on *Streamlined Sales & Use* on the drop down list. The information includes up-to-date rate and boundary tables.
- If you have general sales tax questions, please call our Sales and Special Taxes Compliance Section at 701.328.1246.
- If calling our office about correspondence you have received, please call the number that is listed on the correspondence, and have a copy of the correspondence available when you call.
- When calling our office, please note the name of the person assisting with your question in the event you will have any follow-up questions later.
- Instead of calling or visiting our office, you may also e-mail us at salestax@nd.gov. 