



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

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

At the present time, the city of Oakes has a one and one half percent (1.5%) city sales, use and gross receipts tax in place. ***Effective October 1, 2010, the Oakes city sales, use and gross receipts tax will be two percent (2%).*** 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
- Does not include 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
- Permit holder compensation remains at 3%, with maximum of \$83.33/month or \$250.00/quarter
- No allowance for contracts bid before the effective date is provided
- Proceeds are intended for funding of infrastructure construction and maintenance

The Office of State Tax Commissioner has contracted with the city of Oakes 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 Oakes, ***including*** deliveries made into the city by retailers located outside the city limits of Oakes, will be as follows:

- General sales and use tax: 7 percent (5% state + 2% city)
- New farm machinery: 5 percent (3% state + 2% city)
- Coin-operated amusement: 7 percent (5% state + 2% city)
- New mobile homes: 5 percent (3% state + 2% city)
- Lodging:
  - o Hotel, Motel and Tourist Court Accommodations, and Bed & Breakfast Accommodations licensed under North Dakota Century Code ch. 23-09.1: 7 percent (5% state + 2% city sales)
- Restaurant (sale of food and non-alcoholic beverages): 7 percent (5% state + 2% city sales)
- Alcoholic Beverages:
  - o Off-sale alcoholic beverages: 9 percent (7% state + 2% city gross receipts)
  - o On-sale alcoholic beverages: 9 percent (7% state + 2% city gross receipts)

Questions concerning the increase in the Oakes 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.