



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

To: North Dakota Sales, Use and Gross Receipts Tax Permit Holders

Subject: Local Tax Changes Effective January 1, 2013

Date: October 31, 2012

The following summarizes the local option tax changes effective January 1, 2013. Information will be mailed to permit holders located within the cities and counties where the changes will occur.

Bowman

At the present time, the city of Bowman has a one percent (1%) city sales, use and gross receipts tax in place. Effective December 31, 2012, this one percent (1%) will sunset. ***The city of Bowman has adopted an ordinance to continue a 1% city, sales, use and gross receipts tax that will go into effect January 1, 2013.*** This new ordinance makes no changes to the one percent (1%) local tax that has been in place.

(For additional information:

<http://www.nd.gov/tax/salesanduse/streamlinetax/ratechange.html>)

Buffalo

The city of Buffalo will increase its city sales, use and gross receipts tax by one percent (1%). The tax rate for Buffalo starting January 1, 2013 will be two percent (2%). The Maximum Tax (Refund Cap) remains at \$25.00 per sale. No other changes were made to the ordinance.

(For additional information:

<http://www.nd.gov/tax/salesanduse/streamlinetax/ratechange.html>)

Fargo

The city of Fargo will increase its city sales, use and gross receipts tax by one half percent (.5%). The tax rate for Fargo starting January 1, 2013 will be two percent (2%), and this ordinance will sunset December 31, 2032. The Maximum Tax (Refund Cap) increases to \$50.00 per sale. No other changes were made to the ordinance.

(For additional information:

<http://www.nd.gov/tax/salesanduse/streamlinetax/ratechange.html>)

Finley

The city of Finley will increase its city sales, use and gross receipts tax by one percent (1%). The tax rate for Finley starting January 1, 2013 will be two percent (2%). The Maximum Tax (Refund Cap) will increase to \$50.00 per sale. No other changes were made to the ordinance.

(For additional information:

<http://www.nd.gov/tax/salesanduse/streamlinetax/ratechange.html>)

Harvey

At the present time, the city of Harvey has a one percent (1%) city sales, use and gross receipts tax in place. Effective December 31, 2012, this one percent (1%) will sunset. ***The city of Harvey has adopted an ordinance to continue a 1% city, sales, use and gross receipts tax that will go into effect January 1, 2013.*** This new ordinance makes no changes to the one percent (1%) local tax that has been in place.

(For additional information:

<http://www.nd.gov/tax/salesanduse/streamlinetax/ratechange.html>)

Mott

The city of Mott will increase its city sales, use and gross receipts tax by one half percent (.5%). The tax rate for Mott starting January 1, 2013 will be two percent (2%). The Maximum Tax (Refund Cap) remains at \$25.00 per sale. No other changes were made to the ordinance.

(For additional information:

<http://www.nd.gov/tax/salesanduse/streamlinetax/ratechange.html>)

Powers Lake

At the present time, the city of Powers Lake has a one percent (1%) city sales, use and gross receipts tax in place. Effective January 1, 2013, this one percent (1%) will sunset. *The city of Powers Lake has adopted an ordinance to continue a 1% city, sales, use and gross receipts tax that will go into effect January 1, 2013.* This new tax is scheduled to sunset January 1, 2023. This new ordinance makes no changes to the one percent (1%) local tax that has been in place.

(For additional information:

<http://www.nd.gov/tax/salesanduse/streamlinetax/ratechange.html>)

Ray

The city of Ray will impose a city sales, use and gross receipts tax of one and one half percent (1.5%) effective January 1, 2013. The following gives a brief synopsis of the newly imposed tax:

- Will be reported under local tax code 232
- Includes no Maximum Tax (Refund Cap)
- Does not provide for Permit Holder Compensation

(For additional information:

<http://www.nd.gov/tax/salesanduse/streamlinetax/ratechange.html>)

Steele

The city of Steele city sales, use and gross receipts tax will remain at two percent (2%), but the Maximum Tax (Refund Cap) will be eliminated. No additional changes were made to the ordinance.

(For additional information:

<http://www.nd.gov/tax/salesanduse/streamlinetax/ratechange.html>)

Tioga

The city of Tioga will increase its city sales, use and gross receipts tax by one percent (1%). The tax rate for Tioga starting January 1, 2013 will be two percent (2%). The Maximum Tax (Refund Cap) remains at \$25.00 per sale. No other changes were made to the ordinance.

(For additional information:

<http://www.nd.gov/tax/salesanduse/streamlinetax/ratechange.html>)

Wilton

The city of Wilton will increase its city sales, use and gross receipts tax by one percent (1%). The tax rate for Wilton starting January 1, 2013 will be two percent (2%). The Maximum Tax (Refund Cap) will increase to \$50.00 per sale. No other changes were made to the ordinance.

(For additional information:

<http://www.nd.gov/tax/salesanduse/streamlinetax/ratechange.html>)

Wishek

The city of Wishek will increase its city sales, use and gross receipts tax by one half percent (.5%). The tax rate for Wishek starting January 1, 2013 will be one and one half percent (1.5%). No other changes were made to the ordinance.

(For additional information:

<http://www.nd.gov/tax/salesanduse/streamlinetax/ratechange.html>)

Belfield

Effective January 1, 2013, Belfield will suspend the City Lodging tax for a period of one year. This suspension will cease effective December 31, 2013.

Glen Ullin

The city of Glen Ullin will impose a two percent (2%) City Lodging tax and one percent (1%) City Lodging and Restaurant tax effective January 1, 2013.

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

The 1% City Lodging and Restaurant 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
- Gross receipts of restaurants or bars from sales of prepared food and non-alcoholic beverages
- On-sale alcoholic beverages

(For additional information:

<http://www.nd.gov/tax/salesanduse/streamlinetax/ratechange.html>)

Killdeer

The city of Killdeer will impose a two percent (2%) City Lodging tax effective January 1, 2013. 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

Minnewaukan

The city of Minnewaukan will impose a two percent (2%) City Lodging tax and one percent (1%) City Lodging and Restaurant tax effective January 1, 2013.

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

The 1% City Lodging and Restaurant 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
- Gross receipts of restaurants or bars from sales of prepared food and non-alcoholic beverages
- On-sale alcoholic beverages

(For additional information:

<http://www.nd.gov/tax/salesanduse/streamlinetax/ratechange.html>)

Ray

The city of Ray will impose a one percent (1%) City Lodging tax effective January 1, 2013. The 1% 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

Tioga

The city of Tioga will increase its City Lodging tax by one percent (1%). The City Lodging tax for Tioga starting January 1, 2013 will be two percent (2%).

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

(For additional information:

<http://www.nd.gov/tax/salesanduse/streamlinetax/ratechange.html>)

Wahpeton

The city of Wahpeton currently has a one percent (1%) City Lodging and Restaurant tax in place, with only the lodging portion in effect. Effective January 1, 2013, the city of Wahpeton will expand the one percent (1%) City Lodging and Restaurant tax. Beginning January 1, 2013, the one percent (1%) City Lodging and Restaurant 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
- Gross receipts of restaurants or bars from sales of prepared food and non-alcoholic beverages

(For additional information:

<http://www.nd.gov/tax/salesanduse/streamlinetax/ratechange.html>)

Maximum Tax (Refund Cap)

Prior to October 2005, most local sales taxes included a maximum tax provision (now also known as a refund cap). This was a maximum amount of tax that could apply to a single transaction. In October 2005, the caps were replaced with a refund program. Under the refund program, the retailer was required to collect tax on the entire sale without considering the caps. If the purchaser paid more than the maximum tax amount on a purchase, the purchaser could apply to the Tax Commissioner for a refund of any tax paid in excess of the cap. Beginning July 1, 2007, retailers may voluntarily collect up to the cap amount as a convenience to their customers so the purchasers do not need to apply for a refund. Retailers are not required to calculate caps and may continue to collect tax without regard to the caps. 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 web site at www.nd.gov/tax. Rate charts are also available on our web site. You may also contact the Tax Compliance Section at 701.328.1246 or by e-mail at salestax@nd.gov.