



STATE OF NORTH DAKOTA
OFFICE OF STATE TAX COMMISSIONER
Ryan Rauschenberger, Commissioner

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

Subject: Local Tax Changes Effective July 1, 2014

Date: April 30, 2014

The following summarizes the local option tax changes effective July 1, 2014. Information will be mailed to permit holders located within the city and county where the change will occur.

Michigan

The city of Michigan will increase its city sales, use and gross receipts tax by one half percent (.5%). The tax rate for Michigan starting July 1, 2014 will be two percent (2%). The Maximum Tax (Refund Cap) will remain 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>)

Minot

At the present time, the city of Minot has a two percent (2%) city sales, use and gross receipts tax in place. Effective June 30, 2014, one percent (1%) will sunset. The city of Minot has adopted an ordinance to impose a 1% city sales, use, and gross receipts tax that will become effective July 1, 2014. This new ordinance continues the local tax at two percent (2%) with the following changes:

- Maximum Tax (Refund Cap) is eliminated
- Permit holder compensation is eliminated

(For additional information:

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

Velva

At the present time, the city of Velva has a two percent (2%) city sales, use and gross receipts tax in place. Effective June 30, 2014, one percent (1%) will sunset. Beginning July 1, 2014, the Velva city sales, use, and gross receipts tax will be one percent (1%). No other changes were made.

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

Maximum Tax (Refund Cap)

The maximum tax is the amount of tax that could 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 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.