



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 October 1, 2012

Date: July 31, 2012

The following summarizes the local option tax changes effective October 1, 2012. Information will be mailed to permit holders located within the cities and counties where the changes will occur.

Glenburn

The city of Glenburn will increase its city sales, use and gross receipts tax by one percent (1%). The tax rate for Glenburn starting October 1, 2012 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>)

Park River

The city of Park River 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>)

Williston

The city of Williston city sales, use and gross receipts tax will remain at two percent (2%), but the Maximum Tax (Refund Cap) will increase to \$50.00 per sale. No additional changes were made to the ordinance.

(For additional information:

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

Williams County

The Williams County sales, use and gross receipts tax will be suspended effective October 1, 2012, with the county reserving the option to reinstate if necessary.

(For additional information:

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

Ellendale

Effective October 1, 2012, the city of Ellendale will impose a two percent (2%) City Lodging tax.

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>)

Wyndmere

The city of Wyndmere will impose a two percent (2%) City Lodging tax and one percent (1%) City Lodging and Restaurant tax effective October 1, 2012.

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>)

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.