



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

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

Subject: Local Tax Changes Effective October 1, 2014

Date: July 31, 2014

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

**Burleigh County**

Burleigh County will impose a county sales, use, and gross receipts tax of one-half percent (.5%) effective October 1, 2014. The following gives a brief synopsis of the newly imposed tax:

- Will be reported under local tax code 506
  - Includes a Maximum Tax (Refund Cap) of \$25.00 per sale
  - Provides permit compensation of 3% with maximum of \$83.33/month, \$250/quarter
- (For additional information:

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

**Leeds**

The city of Leeds will impose a city sales, use, and gross receipts tax of two percent (2%) effective October 1, 2014. The following gives a brief synopsis of the newly imposed tax:

- Will be reported under local tax code 234
  - No maximum tax included
  - No permit compensation included
- (For additional information:

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

**Morton County**

Morton County will impose a county sales, use, and gross receipts tax of one-half percent (.5%) effective October 1, 2014. The following gives a brief synopsis of the newly imposed tax:

- Will be reported under local tax code 507
  - Includes a Maximum Tax (Refund Cap) of \$25.00 per sale
  - Provides permit compensation of 3% with maximum of \$83.33/month, \$250/quarter
- (For additional information:

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

**Watford City**

The city of Watford City will increase its city sales, use, and gross receipts tax by one-half percent (.5%). The tax rate for Watford City starting October 1, 2014 will be one and one-half percent (1.5%).

- Maximum Tax (Refund Cap) will remain at \$25 per sale.
  - Provides exemption for new farm machinery
  - Provides permit compensation of 3% with maximum of \$83.33/month, \$250/quarter.
- (For additional information:

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

## **West Fargo**

The city of West Fargo will increase its city sales, use, and gross receipts tax by one percent (1%). The tax rate for West Fargo starting October 1, 2014 will be two percent (2%).

- Maximum Tax (Refund Cap) has been eliminated

(For additional information:

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

## **Williston**

The city of Williston will impose a one percent (1%) City Lodging and Restaurant tax effective October 1, 2014. 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)**

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](http://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](mailto:salestax@nd.gov).