



OFFICE OF STATE TAX COMMISSIONER
STATE OF NORTH DAKOTA

Cory Fong
TAX COMMISSIONER

July 22, 2011

Mr. Scott Peterson, Executive Director
Streamlined Sales Tax Governing Board
4219 Hillsboro Pike
Hobbs Building, Ste 234
Nashville, TN 37215-6627

Re: North Dakota 2011 Recertification of Compliance

Dear Mr. Peterson:

As Tax Commissioner, I certify that North Dakota is in compliance with the Streamlined Sales and Use Tax Agreement as defined in Section 805 of the Agreement.

Enclosed are North Dakota's 2011 Certificate of Compliance and Taxability Matrix, which reflect our laws effective July 1, 2011. Also enclosed is a copy of House Bill 1391 from the 2011 legislative session. HB 1391, which was approved by the North Dakota Legislature and signed by Governor Jack Dalrymple, adopts into North Dakota law amendments to the agreement approved by the Governing Board over the past two years. It also imposes sales and use tax on both one-way and two-way paging services to resolve an issue raised in last year's compliance review.

Other bills modifying North Dakota's sales and use tax laws during the 2011 legislative session are as follows:

- HB 1334 creates a sales tax exemption on memberships and entrance fees collected by certain nonprofit social and recreation clubs.
- HB 1424 expands the existing exemption for chemicals used in agricultural production and increases the compensation paid to retailers for collecting and remitting sales tax.
- SB 2034 creates a sales tax exemption on the sale of equipment used to sell green diesel.

- SB 2171 terminates an existing sales tax exemption on tangible personal property used to build or expand a telecommunications infrastructure.
- SB 2172 exempts the gross receipts from coin-operated amusement machines.
- SB 2202 modifies an existing sales tax exemption on tangible personal property used to gather, compress, or process natural gas produced in North Dakota and for property used to construct or expand oil refineries.
- SB 2292 expands a sales tax exemption on certain sales when the net proceeds are used for a charitable, educational, or religious purpose.
- SB 2236 creates a new sales tax exemption for machinery and equipment purchased to operate a new coal mine.

None of these bills have an impact on North Dakota's compliance with the Streamlined Sales and Use Tax Agreement. Please note that all bills introduced during the 2011 legislative session are available on line at www.nd.gov/assembly/62-2011/leginfo/bills-res-jour/index.html.

If you have any questions regarding North Dakota's compliance or the attached documents, please contact Myles Vosberg, Director of Tax Administration.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Cory Fong', with a long, sweeping underline that extends to the right.

Cory Fong
Tax Commissioner

Enclosures