



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

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September 3, 2013

Mr. Craig Johnson  
Executive Director  
Streamlined Sales Tax Governing Board, Inc.  
100 Majestic Drive, Suite 400  
Westby, WI 54667

Dear Mr. Johnson:

This letter is in response to the 2013 preliminary report regarding North Dakota's compliance with the Streamlined Sales and Use Tax Agreement. All of the comments in the report are regarding statutory references in the taxability matrix or the certificate of compliance. All of the identified issues have been corrected as follows:

Taxability Matrix:

- Item 51090, Medical oxygen for human use without a prescription. We have corrected the statutory reference from subsection 36 to subsection 9 of N.D.C.C. § 57-39.2-04.
- Item 51195, Drugs for human use to other medical facilities. Most, but not all, North Dakota licensed medical facilities are exempt from sale tax on all purchases (not just drugs). We initially checked the taxable column, but have now checked both the taxable and exempt columns and specifically identify in the comment section which facilities are taxable and which facilities are exempt from sales tax.
- Item 52110, Durable medical equipment for home use with a prescription paid for by Medicaid. As requested, I added reference to North Dakota Century Code (N.D.C.C.) § 57-39.2-04(6), which identifies the sales tax exemption for purchases made by the federal government. In addition, I added reference to N.D.C.C. § 57-39.2-04(26)(a), which is the specific exemption for DME purchased for home use, to item 52090, DME for home use and paid by Medicare. Both of these categories of DME are exempt for two reasons: 1) the tax law specifically exempts DME purchased for home use, and 2) the tax law specifically exempts purchases by the federal government.

Certificate of Compliance:

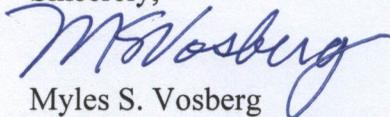
- Section 302 - paragraph 3, State and local tax base for fuels used to power motor vehicles, aircraft, locomotives or watercraft. We added the statutory reference of N.D.C.C. § 57-39.4-03, which codifies the language contained in Section 302 of the Agreement. This reference was included in the 2012 compliance documents, but was accidentally removed this year.

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The corrected taxability matrix and certificate of compliance documents are enclosed and have been posted to the Tax Commissioner's website.

If you have additional questions, please contact me.

Sincerely,

A handwritten signature in blue ink that reads "M. Vosberg". The signature is written in a cursive style with a large, looping initial "M".

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Office of State Tax Commissioner  
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Enclosures