



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

To: Rugby Sales, Use and Gross Receipts Tax Permit Holders
From: Office of State Tax Commissioner, Tax Compliance Section
Subject: Rugby City Sales, Use and Gross Receipts Tax Increase
Date: August 26, 2009

At the present time, the city of Rugby has a 1 percent city sales, use and gross receipts tax in place. ***Effective October 1, 2009, the Rugby city sales, use and gross receipts tax will be 2 percent.*** No other changes were made to the ordinance. .

The Office of State Tax Commissioner has contracted with the city of Rugby to administer the city sales, use and gross receipts tax. Tax is computed by multiplying the taxable purchase by the tax rate and carrying the product to the 3rd decimal place. If the 3rd decimal place is 5 or greater, round up; if it is 4 or less, round down. A Local Option Tax Guideline and Rate Charts are available on our website at www.nd.gov/tax, or can be obtained by contacting our office.

Effective October 1, 2009, the combined state and city rates within the city limits of Rugby, ***including*** deliveries made into the city by retailers located outside the city limits of Rugby, will be as follows:

General sales and use tax: 7 percent (5% state + 2% city)

New farm machinery and new farm irrigation equipment: 3 percent (3% state + exempt from city)

New mobile homes: 5 percent (3% state + 2% city)

Lodging:

- Hotel, Motel and Tourist Court Accommodations, and Bed & Breakfast Accommodations licensed under North Dakota Century Code ch. 23-09.1: 7 percent (5% state + 2% city sales)

Restaurant (sale of food and non-alcoholic beverages): 7 percent (5% state + 2% city sales)

Alcoholic Beverages:

- Off-sale alcoholic beverages: 9 percent (7% state + 2% city gross receipts)
- On-sale alcoholic beverages: 9 percent (7% state + 2% city gross receipts)

Questions concerning the increase in the Rugby city sales, use and gross receipts tax may be directed to the Office of State Tax Commissioner. You may contact the Office of State Tax Commissioner by phone at 701.328.1246, by e-mail at salestax@nd.gov, or by mail at Office of State Tax Commissioner, Tax Compliance Section, 600 E Boulevard, Dept. 127, Bismarck, ND 58505-0599.