



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

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**To:** Valley City Sales, Use and Gross Receipts Tax Permit Holders  
**From:** Office of State Tax Commissioner, Tax Compliance Section  
**Subject:** Valley City City Sales, Use and Gross Receipts Tax Increase  
**Date:** July 29, 2010

At the present time, the city of Valley City has a two percent (2%) city sales, use and gross receipts tax in place. ***Effective October 1, 2010, the Valley City city sales, use and gross receipts tax will be two and one half percent (2.5%).*** In addition to the rate change, the following applies:

- Increased the Maximum Tax (Refund Cap) to \$62.50 per transaction
- Does not include limited exemption for contractors (see the Local Option Tax Guideline for information on this limited exemption: <http://www.nd.gov/tax/salesanduse/pubs/guide/gl-21847.pdf> )
- Scheduled to sunset September 30, 2030
- No permit holder compensation is included
- Applies only to contracts submitted on or after the effective date
- Proceeds are intended for funding of city infrastructure renewal and replacement projects

The Office of State Tax Commissioner has contracted with the city of Valley City 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 3<sup>rd</sup> decimal place. If the 3<sup>rd</sup> 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](http://www.nd.gov/tax).

Effective October 1, 2010, the combined state and city rates within the city limits of Valley City, ***including*** deliveries made into the city by retailers located outside the city limits of Valley City, will be as follows:

- General sales and use tax: 7.5 percent (5% state + 2.5% city)
- New farm machinery: 3 percent (3% state + exempt from city)
- Coin-operated amusement: 7.5 percent (5% state + 2.5% city)
- New mobile homes: 5.5 percent (3% state + 2.5% city)
- Lodging:
  - Hotel, Motel and Tourist Court Accommodations, and Bed & Breakfast Accommodations licensed under North Dakota Century Code ch. 23-09.1: 7.5 percent (5% state + 2.5% city sales)
- Restaurant (sale of food and non-alcoholic beverages): 7.5 percent (5% state + 2.5% city sales)
- Alcoholic Beverages:
  - Off-sale alcoholic beverages: 9.5 percent (7% state + 2.5% city gross receipts)
  - On-sale alcoholic beverages: 9.5 percent (7% state + 2.5% city gross receipts)

Questions concerning the increase in the Valley City 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](mailto:salestax@nd.gov), or by mail at Office of State Tax Commissioner, Tax Compliance Section, 600 E Boulevard, Dept. 127, Bismarck, ND 58505-0599.