



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

To: Westhope Sales, Use and Gross Receipts Tax Permit Holders
From: Office of State Tax Commissioner, Tax Compliance Section
Subject: Westhope City Sales, Use and Gross Receipts Tax Increase
Date: April 8, 2010

The city of Westhope has adopted an ordinance to impose a 1 percent city sales, use and gross receipts tax that will go into effect July 1, 2010. The Westhope city tax is in addition to the state sales tax already in place. In addition to the new local tax rate, the following applies:

- Will be reported under local tax code 226 on the state sales tax return (Form ST)
- Includes a Maximum Tax (Refund Cap) of \$25.00 per sale
- No additional exemptions than what is exempt per state tax
- Does not include a 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 6/30/2015
- No permit holder compensation is included
- Applies only to contracts submitted on or after the effective date
- Proceeds are intended for municipal improvements (30%), recreational improvements (30%), and economic development (40%)

The Office of State Tax Commissioner has contracted with the city of Westhope 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.

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

- General sales and use tax: 6.0 percent (5% state + 1% city)
- New farm machinery: 4.0 percent (3% state + 1% city)
- Coin-operated amusement: 6.0% (5% state + 1% city)
- New mobile homes: 4.0 percent (3% state + 1% cit)
- Lodging:
 - Hotel, Motel and Tourist Court Accommodations, and Bed & Breakfast Accommodations licensed under North Dakota Century Code ch. 23-09.1: 6.0 percent (5% state + 1% city sales)
- Restaurant (sale of food and non-alcoholic beverages): 6.0 percent (5% state + 1% city sales)

- Alcoholic Beverages:
 - Off-sale alcoholic beverages: 8.0 percent (7% state + 1% city gross receipts)
 - On-sale alcoholic beverages: 8.0 percent (7% state + 1% city gross receipts)

Questions concerning the increase in the Westhope 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.