



STATE OF NORTH DAKOTA
OFFICE OF STATE TAX COMMISSIONER
Ryan Rauschenberger, Commissioner

To: Harvey Sales, Use, and Gross Receipts Tax Permit Holders
From: Office of State Tax Commissioner, Tax Compliance Section
Subject: Harvey Sales, Use, and Gross Receipts Tax
Date: October 31, 2014

At the present time, the city of Harvey has a one percent (1%) city sales, use, and gross receipts tax in place. **Effective January 1, 2015, the Harvey city sales, use, and gross receipts tax will be two percent (/2%).** The following applies:

- Maximum Tax (Refund Cap) will increase to \$50/sale
- New farm machinery and new farm irrigation equipment are exempt
- Exempts contracts awarded prior to effective date
- No 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>)
- Tax to sunset December 31, 2029
- Permit holder compensation is included at 3%, with maximum of \$83.33/month and \$250/quarter
- Proceeds will be used for the community development fund for community and economic development projects; to include job creation, professional healthcare recruitment, Area Growth Fund, infrastructure development including water, sewage, roads, utilities

The Office of State Tax Commissioner has contracted with the city of Harvey 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 January 1, 2015, the combined state and city rates within the city limits of Harvey will be as follows:

- General sales and use tax: 7 percent (5% state + 2% city)
- New farm machinery: 3 percent (3% state + exempt from city)
- 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:
9 percent (5% state + 2% city sales + 2% City Lodging tax)
- 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 Harvey 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.