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

**To:** Center Sales, Use, and Gross Receipts Tax Permit Holders

**From:** Office of State Tax Commissioner, Tax Compliance Section

**Subject:** Center Sales, Use, and Gross Receipts Tax

**Date:** October 31, 2015

***Effective January 1, 2016, the city of Center has adopted an ordinance to impose a two (2%) city sales, use, and gross receipts tax.*** The Center city tax is in addition to the state sales, use, and gross receipts tax currently in place. In addition to this new tax, the following applies:

- Will be reported under local tax code 238
- Includes no Maximum Tax (Refund Cap)
- No additional exemptions other than allowed by state tax law
- No limited liability for contractors (see the Local Option Taxes Guideline for information on this limited exemption: http://www.nd.gov/tax/salesanduse/pubs/guide/gl-21847.pdf)
- Exempts contracts awarded prior to effective date
- Does not provide for permit holder compensation
- No sunset date is provided
- Proceeds are intended for city infrastructure fund
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The Office of State Tax Commissioner has contracted with the city of Center 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, 2016, the combined state and city rates within the city limits of Center will be as follows:

- General sales and use tax: 7 percent (5% state + 2% city)
- New farm machinery: 5 percent (3% state + 2% city)
- New farm irrigation equipment: 5 percent (3% state + 2% 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 Center 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.