



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

To: Garrison Sales, Use, and Gross Receipts Tax Permit Holders
From: Office of State Tax Commissioner, Tax Compliance Section
Subject: Garrison Sales, Use, and Gross Receipts Tax
Date: October 31, 2015

At the present time, the city of Garrison has a two percent (2%) city sales, use, and gross receipts tax in place. Effective December 31, 2015, one percent (1%) will sunset. ***Effective January 1, 2016, the city of Garrison will institute a one percent (1%) sales, use, and gross receipts tax replacing the one percent (1%) tax that ceased.*** The Garrison city sales, use, and gross receipts tax will continue at two percent (2%). The following applies:

- Maximum Tax (Refund Cap) remains at \$50/sale
- Exempts new farm machinery and new farm irrigation equipment in addition to those allowed by the state
- Exempts contracts awarded prior to effective date
- 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>)
- No sunset date provided
- No permit holder compensation is included
- Proceeds will be used for infrastructure, community development, and economic development

The Office of State Tax Commissioner has contracted with the city of Garrison 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 Garrison will be as follows:

- General sales and use tax: 7 percent (5% state + 2% city)
- New farm machinery: 3 percent (3% state + exempt city)
- New farm irrigation equipment: 3 percent (3% state + exempt 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 + 2% City Lodging)
- Restaurant (sale of food and non-alcoholic beverages): 7 percent (5% state + 2% city)
- Alcoholic Beverages:
 - Off-sale alcoholic beverages: 9 percent (7% state + 2% city)
 - On-sale alcoholic beverages: 9 percent (7% state + 2% city)

Questions concerning the Garrison 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 Ave., Dept. 127, Bismarck, ND 58505-0599.