



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

To: Grafton Sales, Use, and Gross Receipts Tax Permit Holders
From: Office of State Tax Commissioner, Tax Compliance Section
Subject: Grafton Sales, Use, and Gross Receipts Tax
Date: January 30, 2015

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

- Maximum Tax (Refund Cap) is eliminated
- Provides for additional exemptions for new farm machinery and new farm irrigation equipment
- Does not exempt 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>)
- Sunset date scheduled for March 31, 2040
- Permit holder compensation is included at 3% with maximum of \$83.33/month and \$250/quarter
- Proceeds will be used for community development fund, community projects to enhance the community, and the hospital

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

- General sales and use tax: 7-3/4 percent (5% state + 2-1/2% city + 1/4% county tax)
- New farm machinery: 3 percent (3% state + exempt city + exempt county)
- New farm irrigation equipment: 3 percent (3% state + exempt city + exempt county)
- New mobile homes: 5-3/4 percent (3% state + 2-1/2% city + 1/4% county)
- Lodging:
 - Hotel, Motel and Tourist Court Accommodations, and Bed & Breakfast Accommodations licensed under North Dakota Century Code ch. 23-09.1:
9-3/4 percent (5% state + 2-1/2% city sales + 1/4% county + 2% City Lodging tax)
- Restaurant (sale of food and non-alcoholic beverages): 7-3/4 percent (5% state + 2-1/2% city sales + 1/4% county)
- Alcoholic Beverages:
 - Off-sale alcoholic beverages: 9-3/4 percent (7% state + 2-1/2% city + 1/4% county)
 - On-sale alcoholic beverages: 9-3/4 percent (7% state + 2-1/2% city + 1/4% county)

Questions concerning the Grafton 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 email 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.