



To: Standing Rock Sioux Tribe Sales, Use, and Gross Receipts Tax Permit Holders

From: Office of State Tax Commissioner, Tax Compliance Section

Subject: Standing Rock Sioux Tribe Sales, Use, and Gross Receipts Tax

Date: April 29, 2016

Effective July 1, 2016, the Standing Rock Sioux Tribe will impose a 5 percent general sales and use tax, a 3 percent sales and use tax on new manufactured homes, a 7 percent alcohol gross receipts tax, and a 3 percent farm machinery gross receipts tax on new farm machinery and new farm irrigation equipment. All of these taxes are identical to North Dakota's sales use, and gross receipts taxes. This means all taxable transactions within the exterior boundaries of the North Dakota portion of Standing Rock Sioux Reservation will be subject to a 3 or 5 percent sales or use tax, 7 percent alcohol gross receipts tax, or 3 percent farm machinery gross receipts tax. Enrolled tribal members will no longer be exempt from paying sales, use, or gross receipts taxes on taxable transactions occurring on the Standing Rock Sioux Reservation. All exemptions that apply to the state's taxes also apply to the tribal taxes.

In addition to the tribal imposed 3 and 5 percent sales and use taxes, 7 percent alcohol gross receipts tax, and 3 percent farm machinery gross receipts tax, the Standing Rock Sioux Tribe also imposed a .25 percent tribal local tax that will apply to all transactions subject to the state-level taxes. As a result, all taxable transactions on the Standing Rock Sioux Reservation will be subject to one state-level (state or tribe) 5, 7, or 3 percent tax and an additional .25 percent tribal local tax. The tribal local .25 percent tax will apply to all transactions in the same manner as a city or county sales, use, or gross receipts tax.

When reporting state-level taxes (5, 7, or 3 percent), no distinction is made between the North Dakota state taxes and Standing Rock Sioux Tribe taxes. All transactions occurring within the Standing Rock Sioux Reservation will be included in "Total Sales" and, when applicable, in the "Nontaxable Sales" or "Items Subject to Use Tax" lines of the *Form ST - Sales, Use, and Gross Receipts Tax* return.

The .25 percent local tribal tax will be reported separately in the Local Option Sales, Use, and Gross Receipts Taxes section of the sales tax return. Although all transactions on the reservation will be subject to the .25 percent local tribal tax, the tax associated with 5 percent, 7 percent, and 3 percent sales will each be reported on separate lines of the Local Option Sales, Use and Gross Receipts Taxes section of the *Form ST* sales tax return.

The following gives a brief synopsis of the newly imposed .25 percent local tribal taxes:

- Local tribal tax will be reported under local tax codes
 - Sales subject to 5 percent tax – **700**
 - Alcohol subject to 7 percent tax – **701**
 - New farm machinery, new farm irrigation equipment, new manufactured homes subject to 3 percent tax – **702**
- Tribal tax imposition and exemptions are exactly the same as state taxes
- Enrolled tribal members are not exempt from tax within the boundaries of the Standing Rock Sioux Reservation

- No maximum tax is applicable
- No permit compensation is provided

For additional information:

www.nd.gov/tax/salesanduse/streamlinetax

The Office of State Tax Commissioner has been authorized to administer and enforce the state and tribal taxes within the exterior boundaries of the Standing Rock Sioux Reservation, which encompasses all of Sioux County, North Dakota. All processes related to the state-level and local-level tribal taxes, including registration and return filing, will be administered by the Office of State Tax Commissioner.

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. More information on state, tribal and local taxes, including the Local Option Taxes by Location Guideline, is available on our website at www.nd.gov/tax. Rate charts are also available on our website

Effective July 1, 2016, the state and tribal taxes within Standing Rock Sioux Tribe will be as follows:

- General sales and use tax: 5.25 percent (5 percent tribal + .25 percent tribal local)
- New farm machinery: 3.25 percent (3 percent tribal + .25 percent tribal local)
- New farm irrigation equipment: 3.25 percent (3 percent tribal + .25 percent tribal local)
- New manufactured homes: 3.25 percent (3 percent tribal + .25 percent tribal local)
- Lodging:
 - Hotel, Motel and Tourist Court Accommodations, and Bed & Breakfast Accommodations
5.25 percent (5 percent tribal + .25 percent tribal local)
- Restaurant (sale of food and non-alcoholic beverages): 5.25 percent (5 percent tribal + .25 percent tribal local)
- Alcoholic Beverages:
 - Off-sale alcoholic beverages: 7.25 percent (7 percent tribal + .25 percent tribal local gross receipts)
 - On-sale alcoholic beverages: 7.25 percent (7 percent tribal + .25 percent tribal local gross receipts)

Questions concerning the Standing Rock Sioux Tribal sales, use, and gross receipts tax shall 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, Dept. 127, Bismarck, ND 58505-0599.

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