



Guideline

Sales Tax Burleigh County Sales and Use Tax

Ryan Rauschenberger
Tax Commissioner

October 2014

Introduction

The voters in Burleigh County approved the imposition of a ½ percent county sales, use, and gross receipts tax effective October 1, 2014. The Office of State Tax Commissioner is the collection agent for the tax. The Burleigh County tax is reported and remitted on the same tax return as the state sales tax eliminating the need for additional registration, multiple reporting forms and multiple tax payments. The Office of State Tax Commissioner assumes full responsibility for collection of the combined taxes including delinquency control, auditing and collection activity.

Sales, Use and Gross Receipts Tax

The Burleigh County tax is in addition to state and city sales, use, and gross receipts taxes.

The following is a brief synopsis of the Burleigh County sales, use, and gross receipts tax:

- Reported under local tax code 506 on the state sales tax return (Form ST)
- Maximum Tax (Refund Cap) of \$25.00 per transaction
- Provides for Permit Compensation in the amount of 3% with maximum of \$83.33 per month and \$250.00 per quarter
- Exempts contracts bid prior to effective date
- Does not provide for any additional exemptions from imposition and computation of the county sales, use, and gross receipts tax other than those provided by state law.

Imposition of Tax

All transactions subject to North Dakota sales, use, and gross receipts tax are subject to Burleigh County sales, use, and gross receipts tax. All exemptions granted by the North Dakota sales, use, and gross receipts tax are also granted by Burleigh County. The proper execution of an exemption certificate exempts sales from state, county and city sales, use, and gross receipts taxes. A certificate may not be used to exempt only the state or local taxes; either the activity is exempt from all state and local taxes or it is subject to all state and local taxes.

The county sales tax of ½ percent is in addition to state and local taxes imposed. The Burleigh County cities of Bismarck and Wilton each impose a local tax. Burleigh County retailers delivering goods into Bismarck and the southern portion of Wilton or having customers take possession of goods within Bismarck and the southern portion of Wilton will be required to collect the applicable state sales tax, the Burleigh County ½ percent tax and any applicable city sales tax. When a Burleigh County retailer delivers goods anywhere else within Burleigh County, the retailer must collect North Dakota sales tax and Burleigh County tax.

21850

Maximum Tax Amounts

Effective July 1, 2007, retailers may choose to collect the full amount of local tax without regard to the maximum tax amount identified in the local jurisdiction's ordinance; or the retailer may choose to issue a credit for the amount of tax in excess of the maximum tax amount directly to the customer in the amount due at the time of sale on a single transaction. If the retailer collects the full amount of the local tax without regard to the maximum amount, the purchaser may apply to the Office of State Tax Commissioner for a refund of the amount of local tax paid in excess of the maximum tax amount identified in the ordinance. Please refer to our web site for instructions on how to apply for a refund of the local tax paid in excess of the maximum tax amount, www.nd.gov/tax/salesanduse/forms/citycountyrefundclaim.pdf.

For purposes of the maximum tax provisions, a transaction is determined by the seller's normal billing method. Each invoice issued by the seller is considered a transaction and is subject to the city and county maximum tax amounts. If a supplier makes multiple deliveries to a customer but bills all the deliveries on one invoice, only one sale has taken place. However, if the seller invoices each delivery separately, each delivery is a sale and the local tax should be computed on each invoice.

Cities within Burleigh County

The following cities are located within Burleigh County, and where noted, have city tax:

Baldwin	Moffit
Bismarck* - 1%	Regan
Driscoll	Sterling
Lincoln	Wilton* - 2% - (only the southern portion of the city is within Burleigh County)
McKenzie	Wing
Menoken	

* incorporated

If a retailer chooses to collect only the maximum tax identified in the local jurisdiction's ordinance, each tax must be calculated separately to determine the maximum tax due. For example, the tax on a \$6,000 sale in Bismarck totals \$350.00 ($\$6,000 \times 5\% = \300.00 North Dakota tax + $\$6,000 \times 1\% = \60.00 Bismarck tax (but maximum tax for Bismarck is \$25.00) + $\$6,000 \times \frac{1}{2}\% = \30.00 Burleigh County tax (but maximum tax for Burleigh County is \$25.00). Total tax: $\$300.00 + \$25.00 + \$25.00 = \350.00 .

Combined State, County and City Sales Tax Rates

The Office of State Tax Commissioner has developed rate tables which combine state sales tax, county sales tax, and applicable city sales tax. Rate charts are available free of charge from the Office of State Tax Commissioner or may be downloaded from the Tax Commissioner's web site at www.nd.gov/tax/salesanduse/pubs. The following combined tax rates apply for retailers located in Burleigh County. The applicable local rate applies to the total amount of the transaction unless the retailer has voluntarily provided credit to the customer for amount of the tax in excess of the maximum tax due. The table reflects exemptions granted by the cities or the county that are not allowed by state law.

Cities within Burleigh County with City Taxes

The following chart provides examples of cities within Burleigh County that have city taxes and identifies the rates at which tax should be charged (rates effective October 1, 2014):

**Examples of Combined State, City, and County Tax Rates for Burleigh County
When Customer Takes Possession In:**

	Bismarck	Wilton***	Burleigh County locations with no city tax
General Sales & Use Tax	6.50%	7.50%	5.50%
New Farm Machinery	4.50%	5.50%	3.50%
New Farm Irrigation Equipment	4.50%	5.50%	3.50%
New Mobile Homes	4.50%	5.50%	3.50%
Lodging-Hotel, Motel, & Tourist Court Accommodations	*8.5%	7.50%	5.50%
Lodging-Bed & Breakfast Accommodations licensed under N.D.C.C. § 23-09.1	**9.5%	7.50%	5.50%
Alcoholic Beverages	8.50%	9.5%	7.50%

Note: Bismarck also imposes a 2% City Lodging tax and a 1% City Lodging & Restaurant tax.

* Includes 2% City Lodging Tax

** Includes 2% City Lodging Tax and 1% City Lodging and Restaurant Tax

*** Only the southern portion of the city of Wilton is in Burleigh County

Contractors

Contractors and subcontractors who use tangible personal property in the performance of construction contracts within Burleigh County are subject to the Burleigh County sales or use tax. County tax may be paid directly to the seller of the material or may be accrued by the contractor for payment to the Office of State Tax Commissioner. As is the case under state law, a contractor or subcontractor is subject to use tax regardless of who owns the goods unless state, county and city sales tax or use tax already has been paid on the goods.

Construction material purchased within Burleigh County for use inside the county is subject to county tax. Construction material purchased from a Burleigh County retailer but delivered by the retailer outside Burleigh County for use outside the county is not subject to the county tax. Contractors that take delivery of materials inside Burleigh County but provide a streamlined exemption certificate to avoid payment of the tax at the time of purchase, are subject to Burleigh County use tax when the goods are installed regardless whether the goods are used inside or outside of Burleigh County. Construction material purchased outside Burleigh County but used inside Burleigh County is subject to county use tax if the materials already have not been subjected to a combined tax at the applicable state, county and city rate.

It is important to note that the \$25.00 county maximum tax amount is calculated on each material purchase a contractor makes to fulfill a construction contract, not on purchase orders or the entire construction contract itself. Accordingly, most construction activity that is subject to county sales or use tax will include more than \$25.00 in total county tax costs.

For purposes of the \$25.00 county maximum tax amount, a purchase or sale is determined by the seller's normal billing method. Each invoice issued by the seller is considered a sale and is subject to the \$25.00 county maximum tax. If a supplier makes multiple deliveries to a job site but bills all the deliveries in one invoice, only one sale has taken place. If the seller invoices each delivery separately, each delivery is a sale and is subject to the \$25.00 sales tax maximum tax amount.

Burleigh County sales and use tax does not apply to construction material used to fulfill contracts bid prior to October 1, 2014.

For additional information relating to the application of local taxes, please refer to the Local Option Taxes by Location guideline.

Questions concerning the Burleigh County sales, use, and gross receipts taxes 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, Sales and Special Taxes, 600 E. Boulevard Ave., Dept. 127, Bismarck ND 58505-0599.