



Guideline

Sales Tax Cass County Sales and Use Tax

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Introduction

The voters in Cass County approved the imposition of a ½ percent county sales, use and gross receipts tax effective April 1, 2011. The Office of State Tax Commissioner is the collection agent for the tax. The Cass 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 Cass County tax is in addition to state and city sales, use and gross receipts taxes.

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

- Reported under local tax code 501 on the state sales tax return (Form ST)
- Maximum Tax (Refund Cap) of \$12.50 per transaction
- Does not provide for Permit Holder Compensation
- Exempts contracts awarded prior to effective date
- Does not provide for any additional exemptions from imposition and computation of the county sales and use 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 Cass County sales, use and gross receipts tax. All exemptions granted by the North Dakota sales, use and gross receipts tax are also granted by Cass 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 Cass County cities of Buffalo, Casselton, Fargo, Harwood, Leonard, Mapleton, Oxbow, Page, Tower City, and West Fargo each impose a local tax. Cass County retailers delivering goods into these cities or having customers take possession of goods within these cities will be required to collect the applicable state sales tax, the Cass County ½ percent tax and any applicable city sales tax. When a Cass County retailer delivers goods anywhere else within Cass County, the retailer must collect North Dakota sales tax and Cass County tax.

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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, <http://www.nd.gov/tax/salesanduse/forms/citycountyrefundclaim-enabled.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 Cass County

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

Absaraka	Erie	Leonard*-1%	Prairie Rose*
Alice*	Eric Junction	Lynchburg	Prosper
Amenia*	Everest	Magnolia	Reiles Acres
Argusville*	Fargo*-2%	Mapleton*-1½%	Riverside
Arthur*	Fife	Mason	Saint Benedict
Ayr*	Frontier*	Myra	Tower City*-1%
Briarwood*	Gardner*	Newman	Vance
Booktree Park	Grandin*	Nolan	Walden
Buffalo*-1%	Harwood*-1%	Norman	Warren
Casselton*-1%	Hickson	North River*	West Fargo*-1%
Chaffee	Horace*	Oxbow*-1%	Wheatland
Davenport*	Hunter*	Page*-1%	Wild Rice
Durbin	Kindred*	Pinkham	Woods
Embden			

* incorporated

If a taxable sale amount exceeds \$2,500, each tax must be calculated separately to determine the maximum tax due. For example, the tax on a \$6,000 sale in Fargo totals \$362.50 ($\$6,000 \times 5\% = \300 ND tax + $\$2,500 \times 2\% = \50.00 Fargo tax + $\$2,500 \times \frac{1}{2}\% = \12.50 Cass County tax. [$\$300 + \$50.00 + \$12.50 = \362.50]).

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 Website: <http://www.nd.gov/tax/salesanduse/pubs/>. The following combined tax rates apply for retailers located in Cass 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 Cass County with City Taxes

The following chart provides examples of cities within Cass County that have city taxes and identifies the rates at which tax should be charged (rates effective April 1, 2011):

Combined State, City, and County Tax Rates for Cass County When Customer Takes Possession In:

	North Dakota Rate	1% Buffalo	1% Casselton	2% Fargo	1% Harwood	1% Leonard	1 ½% Mapleton	1% Oxbow	1% Page	1% Tower City	1% West Fargo	Other Cass County Locations
New Farm Machinery	3	4.50%	4.50%	5.50%	4.50%	4.50%	5.0%	4.50%	4.50%	3.50% ¹	4.50%	3.50%
New Irrigation Equipment	3	4.50%	4.50%	5.50%	4.50%	4.50%	5.0%	4.50%	4.50%	4.50%	4.50%	3.50%
New Mobile Homes	3	4.50%	4.50%	5.50%	4.50%	4.50%	5.0%	4.50%	4.50%	4.50%	4.50%	3.50%
Alcohol Beverages	7	8.50%	8.50%	9.50%	8.50%	8.50%	9.0%	8.50%	8.50%	8.50%	8.50%	7.50%
Coin-operated Vending of less than \$1.00	5	6.50%	6.50%	7.50%	6.50%	6.50%	7.0%	6.50%	6.50%	6.50%	5.50%	5.50%
Gross receipts from coin- operated amusement	5	6.50%	6.50%	5.50% ²	6.50%	6.50%	7.0%	5.50% ²	5.50%	6.50%	5.50% ²	5.50%
Renting, hotel, motel, tourist court accommodations***	5	6.50%	6.50%	10.50% ³	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	9.50% ³	5.50%
All other	5	6.50%	6.50%	7.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	5.50%

Note: Fargo also imposes a local 3% lodging tax; however, their lodging taxes are administered locally.

¹ City exempts new farm machinery

² City exempts coin-operated amusement

³ Combined rate includes: lodging tax of 3% for Fargo; lodging tax of 2% and lodging and restaurant tax of 1% for West Fargo

Contractors

Contractors and subcontractors who use tangible personal property in the performance of construction contracts within Cass County are subject to the Cass 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 or use tax already has been paid on the goods.

Construction material purchased within Cass County for use inside the county is subject to county tax. Construction material purchased from a Cass County retailer but delivered by the retailer outside Cass County for use outside the county is not subject to the county tax. Contractors that take delivery of materials inside Cass County but provide a streamlined exemption certificate to avoid payment of the tax at the time of purchase, are subject to Cass County use tax when the goods are installed regardless whether the goods are used inside or outside of Cass County. Construction material purchased outside Cass County but used inside Cass 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 \$12.50 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 \$12.50 in total county tax costs.

For purposes of the \$12.50 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 \$12.50 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 \$12.50 sales tax maximum tax amount.

Cass County sales and use tax does not apply to construction material used to fulfill contracts bid prior to April 1, 2011.

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

Questions concerning the Cass 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.