Guideline

Sales Tax
Primary Sector Development Exemption

Cory Fong
Tax Commissioner
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Types of Application Letters

● Request for up-front tax exemption for computer and telecommunications equipment purchased by primary sector business.
● Request for refund of tax previously paid by primary sector business or their contractors.
   ○ Requires copies of all qualifying invoices be sent to Tax Commissioner for review.

Definition of Primary Sector Company

● Business through the employment of knowledge or labor adds volume to a product, process, or service which results in the creation of new wealth.
● Business must have been certified by the North Dakota Department of Commerce as a primary sector company.

Information to Include in Application Letter

● Owner and location of primary sector project.
● Describe the project and why it qualifies for the exemption
   ○ New business or a physical or economic expansion
● Estimated duration of project
● Estimated cost of project and portion applicable to materials

Tangible Personal Property Qualifying for Exemption (not inclusive list)

● Computer equipment and related software
● Monitor/Display units
● Printers
● Optical readers
● Telecommunications equipment
● Replacement equipment does not qualify

Tangible Personal Property Installed by Contractor

● Contractor must pay tax on what they purchase and attach to real property.
   ○ Primary sector business may apply for refund of tax paid by contractor.
      - Primary sector business must acquire copies of invoices from contractor.
● Contractor is not responsible for tax on approved computer or telecommunications equipment purchased by a primary sector business and attached to real property by a contractor.

Submit application letter to:
Susan Rood
Phone: 701.328.3389
Sales & Special Taxes Section
FAX: 701.328.0336
Office of State Tax Commissioner
Email: srood@nd.gov
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