



To: Sales, Use, and Gross Receipts Tax Permit Holders

Subject: Local Tax Changes Effective October 1, 2017

Date: July 31, 2017

**Please note:**

**Beginning in 2018, all local sales tax rate change notifications will be made electronically and will no longer be provided by mail. Information regarding local tax changes is available through email updates. You may sign up for email notifications online at [www.nd.gov/tax](http://www.nd.gov/tax). In the lower-left of the homepage, click on “Subscribe” under Email Updates, and follow the instructions. There are nine lists to which you may subscribe. To receive the sales tax rate change notifications, make sure you are subscribed to the “ND Sales and Special Taxes” list. You may also view the local sales tax rate change notifications at [www.nd.gov/tax/salesanduse/localtaxes](http://www.nd.gov/tax/salesanduse/localtaxes).**

The following summarizes local option tax changes effective October 1, 2017. For additional information: [www.nd.gov/tax/salesanduse/localtaxes](http://www.nd.gov/tax/salesanduse/localtaxes)

**Casselton**

The city of Casselton will increase its city sales, use, and gross receipts tax by one percent (1%). The tax rate for Casselton starting October 1, 2017 will be two percent (2%). No other changes were made to the ordinance.

- Maximum tax (Refund Cap) will remain at \$25/sale

**Tioga**

The city of Tioga currently has a 2-1/2% city sales, use and gross receipts tax with no Maximum Tax (Refund Cap). The tax rate for Tioga starting October 1, 2017 will remain at 2-1/2%, but the exemption for new farm machinery is eliminated. No other changes were made to the ordinance.

**Maximum Tax (Refund Cap)**

The maximum tax is the amount of tax that may apply to a single transaction. If the purchaser pays more than the maximum tax amount on a purchase, the purchaser may apply to the Tax Commissioner for a refund of any tax paid in excess of the maximum tax. Retailers may voluntarily collect up to the maximum tax amount as a convenience to their customers so the purchasers do not need to apply for a refund. Retailers are not required to calculate maximum tax and may continue to collect tax without regard to the maximum tax. Retailers should be consistent in the method they choose to calculate local taxes.

More information on state and local taxes, including the Local Option Taxes by Location Guideline, is available on our website at [www.nd.gov/tax](http://www.nd.gov/tax). Rate charts are also available on our website. You may also contact the Tax Compliance Section at 701.328.1246 or by email at [salestax@nd.gov](mailto:salestax@nd.gov).