



To: Sales, Use, and Gross Receipts Tax Permit Holders
Subject: Local Tax Changes Effective April 1, 2017
Date: January 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. 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/streamlinetax/ratechange.

The following summarizes local option tax changes effective April 1, 2017. For additional information: www.nd.gov/tax/salesanduse/streamlinetax/ratechange

Forman

The city of Forman currently has a 1-1/2% city sales, use and gross receipts tax with a Maximum Tax of \$25 per sale. The tax rate for Forman starting April 1, 2017 will remain at 1-1/2%, but the Maximum Tax (Refund Cap) will be eliminated. No other changes were made to the ordinance.

Horace

The city of Horace will impose a city sales, use, and gross receipts tax of two percent (2%) effective April 1, 2017. The following gives a brief synopsis of the newly imposed tax:

- Will be reported under local tax code 239
- No Maximum Tax (Refund Cap) is included
- Provides no permit holder compensation

Standing Rock Sioux Tribe

Beginning March 7, 2017, the Office of State Tax Commissioner will no longer administer the Standing Rock Sioux Tribe tribal tax. Future questions regarding the application of the tribal tax should be directed to the Standing Rock Tribal Tax Department at 701.854.7340.

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. 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.