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

Subject: Local Tax Changes Effective April 1, 2017

Date: January 31, 2017

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 saletax@nd.gov.