



To: Sales, Use, and Gross Receipts Tax Permit Holders  
Subject: Local Tax Changes Effective April 1, 2018  
Date: January 31, 2018

The following summarizes local option tax changes effective April 1, 2018. For additional information:  
[www.nd.gov/tax/salesanduse/localtaxes](http://www.nd.gov/tax/salesanduse/localtaxes)

### **Belfield**

The city of Belfield currently has a 2% city sales, use and gross receipts tax with a \$50/sale Maximum Tax (Refund Cap). The tax rate for Belfield starting April 1, 2018 will remain at 2%, but the Maximum Tax (Refund Cap) is eliminated. No other changes were made to the ordinance.

### **Edgeley**

The city of Edgeley will increase its city sales, use, and gross receipts tax by one percent (1%). The tax rate for Edgeley starting April 1, 2018 will be three percent (3%). No other changes were made to the ordinance.

- Maximum tax (Refund Cap) will remain at \$50/sale

### **Grand Forks**

The city of Grand Forks will increase its city sales, use, and gross receipts tax by one-half percent (.5%). The tax rate for Grand Forks starting April 1, 2018 will be two and one-fourth percent (2.25%). Other changes to the local tax are listed below.

- Maximum tax (Refund Cap) will be \$56.25/sale
- No additional exemptions than what is allowed by state law
- Sunsets December 31, 2037

### **Lincoln**

The city of Lincoln will impose a city sales, use, and gross receipts tax of one percent (1%) effective April 1, 2018. The following gives a brief synopsis of the newly imposed tax:

- Will be reported under local tax code 242
- No additional exemptions than those provided by the state
- Maximum Tax (Refund Cap) is \$25/sale
- Permit holder compensation of 3% of the tax due, maximum of \$50/month and \$150/quarter

### **Linton**

The city of Linton currently has a 2% city sales, use and gross receipts tax with no Maximum Tax (Refund Cap). The tax rate for Linton starting April 1, 2018 will remain at 2%, but the Maximum Tax (Refund Cap) will change to \$250/sale. No other changes were made to the ordinance.

### **Mohall**

The city of Mohall will increase its city sales, use, and gross receipts tax by one percent (1%). The tax rate for Mohall starting April 1, 2018 will be two percent (2%). No other changes were made to the ordinance.

- Maximum tax (Refund Cap) will remain at \$25/sale
- Sunsets March 31, 2039

### **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).

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