



STATE OF NORTH DAKOTA
OFFICE OF STATE TAX COMMISSIONER
RYAN RAUSCHENBERGER, COMMISSIONER

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

From: Office of State Tax Commissioner, Tax Compliance Section

Subject: Harwood Sales, Use, and Gross Receipts Tax

Date: October 31, 2016

At the present time, the city of Harwood has a one percent (1%) city sales, use, and gross receipts tax in place. *Effective January 1, 2017, the Harwood city sales, use, and gross receipts tax will be two percent (2%).* The following applies:

- Maximum Tax (Refund Cap) is eliminated
- No additional exemptions than what is allowed by state
- Exempts contracts awarded prior to effective date
- No sunset date provided
- No permit holder compensation is included
- Proceeds will be used for infrastructure improvements, including public utilities and buildings, job creation, business retention, expansion, and recruitment

The Office of State Tax Commissioner has contracted with the city of Harwood to administer the city sales, use, and gross receipts tax. Tax is computed by multiplying the taxable purchase by the tax rate and carrying the product to the 3rd decimal place. If the 3rd decimal place is 5 or greater, round up; if it is 4 or less, round down. A Local Option Tax Guideline and Rate Charts are available on our website at www.nd.gov/tax.

Effective January 1, 2017, the combined state and city rates within the city limits of Harwood will be as follows:

- General sales and use tax: 7.5 percent (5% state + 2% city + ½% county)
- New farm machinery: 5.5 percent (3% state + 2% city + ½% county)
- New farm irrigation equipment: 5.5 percent (3% state + 2% city + ½% county)
- New mobile homes: 5.5 percent (3% state + 2% city + ½% county)
- Lodging:
 - Hotel, Motel and Tourist Court Accommodations, and Bed & Breakfast Accommodations licensed under North Dakota Century Code ch. 23-09.1:
7.5 percent (5% state + 2% city sales + ½% county)
- Restaurant (sale of food and non-alcoholic beverages): 7.5 percent (5% state + 2% city sales + ½% county)
- Alcoholic Beverages:
 - Off-sale alcoholic beverages: 9.5 percent (7% state + 2% city gross receipts + ½% county)
 - On-sale alcoholic beverages: 9.5 percent (7% state + 2% city gross receipts + ½% county)

Questions concerning the Harwood city sales, use, and gross receipts tax may be directed to the Office of State Tax Commissioner. You may contact the Office of State Tax Commissioner by phone at 701.328.1246, by email at salestax@nd.gov, or by mail at Office of State Tax Commissioner, Tax Compliance Section, 600 E. Boulevard, Dept. 127, Bismarck, ND 58505-0599.