



Sales Tax Newsletter

News and developments

A publication of the Tax Administration Division


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Tax Commissioner

MAY MONTHLY RETURNS DUE JUNE 22

If you are required to file monthly sales tax returns because of the volume of taxable transactions you report and you are allowed to deduct compensation on line 7 of the sales tax return, **you must file your May sales tax return by June 22, 2009.** North Dakota sales tax law moves the due date of certain May monthly returns from June 30 to June 22 at the end of each biennium, which occurs at the end of June in odd-numbered years. The June 22, 2009 due date will be preprinted on your form or displayed on your WebFile return if you are subject to the early due date.

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If the June 22 due date applies to you, please mark your calendar. A 5 percent penalty applies to returns filed after the due date, including returns with a June 22 due date. To be filed on time, WebFile returns must be submitted by midnight of the due date and paper returns and payment vouchers must be postmarked by the U.S. Postal Service on or before the due date. 

NEW OR AMENDED LOCAL TAXES

The Office of State Tax Commissioner administers all local sales, use and gross receipts taxes imposed in North Dakota. The following changes will become effective January 1, 2009.

The city of **Anamoose** has imposed a 1 percent sales, use and gross receipts tax. The local tax will be reported as local code 220 on the local option schedule of the sales tax return. The city ordinance does not provide for permit holder compensation and does not include a maximum tax (refund cap). The ordinance provides a limited exemption for contractors that remove inventory for use outside of the city.

The city of **Fargo** has increased its local sales, use and gross receipts tax from 1 to 1½ percent. In addition, the city ordinance raised the maximum tax (refund cap) to \$37.50 per transaction. All other provisions of the ordinance remain the same effective January 1, 2009.

The city of **Forman** has imposed a 1 percent sales, use and gross receipts tax. The local tax will be reported as local code 221 on the local option schedule of the sales tax return. The city ordinance does not provide for permit holder compensation. The ordinance does include a maximum tax (refund cap) of \$25.00 per transaction. The ordinance also includes a limited exemption for contractors that remove inventory for use outside of the city.

The city of **Harwood** has imposed a 1 percent sales, use and gross receipts tax. The local tax will be reported as local code 222 on the local option schedule of the sales tax return. The city ordinance does not provide for permit holder compensation. The ordinance does include a maximum tax (refund cap) of \$25.00 per transaction.

The city of **Lisbon** has increased its local sales, use and gross receipts tax from 1 to 1½ percent. In addition, the city ordinance raised the maximum tax (refund cap) to \$37.50 per transaction. All other provisions of the ordinance remain the same effective January 1, 2009.



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The maximum tax amount (refund caps) allows purchasers to obtain a refund of the local tax paid to the retailer in excess of the cap amount.

The city of **Neché** has increased its local sales, use and gross receipts tax from 1 to 2 percent. In addition, the city ordinance raised the maximum tax (refund cap) to \$50.00 per transaction. All other provisions of the ordinance remain the same effective January 1, 2009.

The city of **Streeter** has imposed a 1 percent sales, use and gross receipts tax. The local tax will be reported as local code 223 on the local option schedule of the sales tax return. The city ordinance does not provide for permit holder compensation and does not include a maximum tax (refund cap). The ordinance includes a limited exemption for contractors that remove inventory for use outside of the city.


The city of **Walhalla** has increased its local sales, use and gross receipts tax from 1 to 2 percent. In addition, the city ordinance raised the maximum tax (refund cap) to \$50.00 per transaction. All other provisions of the ordinance remain the same effective January 1, 2009.

The city of **Washburn** has increased its local sales, use and gross receipts tax from 1 to 2 percent. In addition, the ordinance will include a limited exemption for contractors that remove inventory for use outside of the city. All other provisions of the ordinance remain the same effective January 1, 2009.

The city of **Woodworth** has imposed a 1 percent sales, use and gross receipts tax. The local tax will be reported as local code 224 on the local option schedule of the sales tax return. The city ordinance does not provide for permit holder compensation. The ordinance does include a maximum tax (refund cap) of \$30.00 per transaction. Natural gas sales, gross receipts from coin-operated amusement, and gross receipts from coin-operated vending sales of 99 cents or less are exempt. The ordinance also includes a limited exemption for contractors that remove inventory for use outside of the city.

The maximum tax amount (refund caps) allows purchasers to obtain a refund of the local tax paid to the retailer in excess of the cap amount. When retailers collect the entire local tax on the selling price and the local tax exceeds the refund cap, purchasers may apply to the Tax Commissioner for a refund or credit of the excess amount. Retailers may elect to collect the total tax amount or collect up to the cap amount, but must be consistent in the method they choose.

The limited exemption for contractors exempts contractors from paying local use tax on materials they purchased or possessed within the city limits but removed and installed into real property outside of the city. To qualify for the exemption, the contractor must have provided the seller a contractor's exemption certificate at the time the goods were purchased.

For a complete listing of all local taxes imposed in North Dakota, see our Local Option Taxes by Location guideline. The guideline is available on our website or by mail upon request. 

TAXPAYER ASSISTANCE

If you have questions regarding sales tax or about correspondence received from our office, the following information will be helpful in ensuring that your call or visit to our office is completed in a speedy and efficient manner:

- For Streamlined Sales and Use Tax information and updates on our web site www.nd.gov/tax, click on *Sales and Use*, then click on *Streamlined Sales & Use* on the drop down list. The information includes up-to-date rate and boundary tables.
- If you have general sales tax questions, please call our Sales and Special Taxes Compliance Section at 701.328.1246.
- If calling our office about correspondence you have received, please call the number that is listed on the correspondence, and have a copy of the correspondence available when you call.
- When calling our office, please note the name of the person assisting with your question in the event you will have any follow-up questions later.
- Instead of calling or visiting our office, you may also e-mail us at salestax@nd.gov.