



Sales Tax Newsletter

News and developments

A publication of the Sales and Special Taxes Division

Rick Clayburgh
Tax Commissioner

New and Improved WebFile

The Tax Commissioner’s Office is pleased to announce a *new and improved* WebFile, a free web-based program for filing, paying, and viewing sales tax returns on the Internet. Improved features of the new WebFile system include:

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- On-line registration: Convenient on-line registration is available 24 hours a day, 7 days a week. You no longer need to call or write our office to participate in WebFile.
- View past returns: You can view all returns filed for the past six years - even if you filed by paper.
- Upload capabilities: All return data, including local tax information, may be uploaded from an XML file directly into your return so you don’t have to spend time keying the information you report.
- Customized local tax information: With a click of the mouse, you can customize which locations display in your return. There is no need to scroll through a long list of locations that you do not report.

- Pay by credit card: In addition to paying by ACH Debit, ACH Credit, or check, you can now remit payment for all WebFile returns by credit card. And, you can change your selected payment method on-line at any time.
- Payment vouchers: If you pay by check, you can print a payment voucher any time after the return is submitted up to the due date of the return.
- Improved security: WebFile uses North Dakota’s Logon ID system. This allows you to use the same ID and password for other Internet services provided by the Tax Commissioner’s Office and other state agencies. And, the Logon ID lets you identify and limit the individuals you want accessing each permit.

Other advantages over paper returns that WebFile still offers from the previous system are:

- The ability to file returns or view previously filed returns 24 hours a day, seven days a week.
- Secure Sockets Layer (SSL) encryption technology to ensure your information is secure and protected.
- Electronic payment by ACH debit or credit.
- All calculations completed automatically resulting in error free returns.
- Postage costs, paper, and mail delays are eliminated.

WebFile is available to all permit holders. If you haven’t already registered, please try it. For more information about WebFile, feel free to call our office at 701-328-3476 or check it out on our Web site at www.ndtaxdepartment.com. Click on *Sales and Use* and then *Electronic Filing*. 




Office of
State Tax Commissioner
600 E Blvd Ave, Dept 127
Bismarck ND 58505-0599
701.328.3470
ndtaxdepartment.com
salestax@state.nd.us
www.discovernd.com

Border State "Sales Tax" Workshop

The North Dakota Tax Department is participating with the South Dakota Department of Revenue to present a joint sales and use tax workshop. This workshop will include information on the similarities and differences in the states' sales and use tax laws. You are invited to attend this workshop:

North Dakota/South Dakota Sales Tax Issue Workshop


Fargo, ND	9/21/2004	9:00am – 12:00pm	Sales Tax
		1:00pm - 3:00pm	Contractor's Tax

To register online for this free workshop, go to www.state.sd.us/drr2/seminar/classreg.htm and click on *Border Issues Seminars* or call our office at 701-328-3475. 

All-Terrain Vehicle


An all-terrain vehicle (ATV) is defined by the law as any motorized off-highway vehicle 50 inches (1,270 millimeters) or less in width, having a dry weight of one thousand pounds (453.59 kilograms) or less, traveling on three or more low-pressure tires, having a seat or saddle designed to be straddled by the operator, and handlebars for steering control. Generally, the 5% North Dakota motor vehicle excise tax will be due and payable at the time the ATV is titled and registered with the North Dakota Department of Transportation's Motor Vehicle Division. Registration is required if the ATV will be used on public or private property not owned or controlled by the ATV owner.

If an ATV is purchased for use exclusively on the purchaser's private property, and will not be required to be titled and registered with the Motor Vehicle Division, the purchaser should inform the seller who will then be responsible for the collection of the North Dakota 5% sales tax and applicable local sales taxes.

If you have questions regarding the taxation of ATVs, please contact the sales tax compliance section at (701) 328-3470 or e-mail at salestax@state.nd.us. 

Prepaid Telephone Calling Card


Sales of prepaid telephone calling cards by retailers and telephone companies within the State of North Dakota are sales of tangible personal property subject to North Dakota sales tax and applicable local sales taxes. Persons selling prepaid calling cards from vending machines located in this state must also report sales tax on these sales.

Prepaid telephone calling cards include cards that provide access numbers or codes to the card holder to use a predetermined number of minutes or a set dollar amount of telecommunications services. 

Recordkeeping Requirements


Every person doing business in this state or storing, using, or consuming tangible personal property in this state is required to maintain records for three years and three months.

Persons selling prepaid calling cards from vending machines located in this state must also report sales tax on these sales.

These records include, but are not limited to, books of accounts ordinarily maintained by a business, with all bills, receipts, invoices, cash register tapes, and other documents of original entry supporting the entries in the books of accounts and all schedules or working papers in the preparation of the sales and use tax returns. 

Sales to Montana Residents

Sales of tangible personal property to a Montana resident are exempt from North Dakota sales tax provided (1) the total of the taxable items sold totals \$50.00 or more, (2) the goods are removed from North Dakota for use outside the state, (3) the Montana resident is in the state to make a specific purchase, and (4) the Montana resident is not residing in North Dakota permanently or temporarily.

North Dakota retailers must have the Montana resident complete a *Certificate of Purchase* form, which retailers must maintain in their records to support the exempt sale. Questions or requests for this form may be directed to the sales tax compliance section at (701) 328-3470 or e-mail at salestax@state.nd.us. 

Sales & Use Tax Quick Notes

- **Construction Contractors**

A contractor or subcontractor is responsible for the payment of sales or use tax on all materials installed or incorporated into real property regardless of who owns them. This includes materials used on construction contracts with government agencies, hospitals, schools, and other tax exempt institutions.

- **Auctions**

Tangible personal property purchased at auction is subject to sales or use tax if the property represents another retailer's resale inventory, or if the auctioneer sells tangible personal property for an unknown or undisclosed person. Sales of property owned by disclosed persons who are not retailers, such as household or farm auctions, are casual sales and are not subject to sales or use tax.

- **Articles Made to Order**

The total charge by a seller for the materials and labor necessary to fabricate articles of tangible personal property is subject to sales tax. For example, a carpenter constructing a desk is responsible for billing the customer sales tax on both the material and labor invoiced to the customer.

- **Sales in Interstate Commerce**

Sales of tangible personal property that requires delivery by the seller to a location outside North Dakota are not subject to sales tax.

- **Pet Food**


Pet foods, including wormers and tonics, are subject to sales tax.

- **Vending Machines**

The total receipts from a coin-operated vending machine are subject to sales tax if the price per item is greater than 15¢.

North Dakota retailers must have the Montana resident complete a Certificate of Purchase form, which retailers must maintain in their records to support the exempt sale.


- **Motor Vehicles**

Every time a motor vehicle is sold to someone other than a licensed motor vehicle dealer for resale, there will be a responsibility by the purchaser to title and register the motor vehicle with the North Dakota Department of Transportation's Motor Vehicle Division. At the time of registration, the purchaser will also be responsible for payment of the 5% motor vehicle excise tax based on the selling price. 

Online Newsletters


You can subscribe to the department's newsletters and publications, which include Income Tax, Motor Fuels Tax, Oil & Gas Tax, Property Tax, Research & Statistics, and Sales Tax.

To receive an online newsletter, we simply require that you add your name and e-mail address to our e-mail subscription listserv. Once you have subscribed for online newsletters, they will come right to your e-mail account. You can save them, delete them, print them, or distribute them. Because e-mail is instantaneous, it is a great way to distribute news in the quickest manner possible.

For more information on how you can sign up to receive electronic copies of future newsletter, please click on our **Newsletter Subscription** link at www.ndtaxdepartment.com. You will be asked to enter your name and e-mail address and click the submit button. You will be asked to select those newsletters you wish to receive, including the sales tax newsletter. Once registered, you will automatically receive future editions of the newsletter electronically. Although taxpayers will continue to receive a paper copy of various newsletters for the present, this electronic service provides you an opportunity to receive the most current newsletter instantaneously. 

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:

- If you have general sales tax questions, please call our Sales Tax Compliance Section at (701) 328-3470.
- 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@state.nd.us. 

This newsletter is available free of charge on our Web site at www.ndtaxdepartment.com or in hard copy. We offer an e-mail notification service to subscribers as soon as a new issue is placed on our Web site. To join the e-mail service, simply visit our Web site and click on "Newsletter Subscription" located in the top blue bar at the right side of our home page.



Office of
State Tax Commissioner
600 E Blvd Ave, Dept 127
Bismarck ND 58505-0599
701.328.3470
ndtaxdepartment.com
salestax@state.nd.us
www.discovernd.com

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