



Sales Tax Newsletter

News and developments

A publication of the Sales and Special Taxes Division

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Tax Commissioner

MAY 2007 MONTHLY RETURNS DUE JUNE 22

At the end of each biennium, which is June 30 of odd numbered years, the May sales and use tax return due date is moved forward to June 22. This means larger sales tax permit holders that are required to file monthly must file the May 2007 return by June 22, 2007.

Inside this issue:

- May 2007 Monthly Returns Due June 22 1
- New or Amended Local Taxes Effective April 1 1
- Seminar & Workshop Information 2
 - Border States "Sales Tax" Seminars 2
 - North Dakota/Minnesota 2
 - North Dakota/South Dakota 2
 - Greater North Dakota Chamber of Commerce Workshops 2

The due date for each return is displayed near the top of the form that is mailed to each permit holder or made available in WebFile. Please view your return before June 22 to verify if the early due date applies to you. May monthly sales and use tax returns will be mailed or made available in WebFile approximately June 1. The early due applies only to May monthly returns of sales tax permit holders that are required to file monthly because the permit reported more than \$333,000 of taxable sales and purchases in the previous calendar year.

To be filed timely, paper returns must be postmarked by the US Postal Service by the due date and WebFile returns must be submitted on-line before midnight of the due date. Returns that are filed or paid after the due date are subject to penalty. ☹

NEW OR AMENDED LOCAL TAXES EFFECTIVE APRIL 1

The Office of State Tax Commissioner administers all local sales, use and gross receipts taxes imposed in North Dakota. The following new local taxes and changes to existing taxes will become effective April 1, 2007. All transactions within the city limits of these cities and subject to North Dakota sales, use and gross receipts taxes will also be subject to the city's sales, use and gross receipts tax except as noted below.

The city of Belfield has increased its local sales, use and gross receipts tax rate from 1 to 2 percent. The ordinance also increased the maximum tax (refund cap) from \$25 per transaction to \$50 per transaction. All other provisions of the ordinance remain the same.

The city of Cando has increased its local sales and gross receipts tax rate from 1 to 2 percent. The ordinance also removed the maximum tax (refund cap). All other provisions of the ordinance remain the same.

The city of Devils Lake has increased its local sales, use and gross receipts tax rate from 1.5 to 2 percent. All other provisions of the ordinance remain the same.

The city of Grafton has increased its local sales, use and gross receipts tax rate from 1 to 2 percent. All other provisions of the ordinance remain the same.

The city of Leonard has imposed a 1 percent city sales, use and gross receipts tax. The local tax will be reported as local code 215 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 the city.



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Retailers are required to collect the full selling price but purchasers may apply to the Tax Commissioner for a refund or credit.


The city of Minto has imposed a 1 percent city sales, use and gross receipts tax. The local tax will be reported as local code 216 on the local option schedule of the sales tax return. In addition to the exemptions provided under state law, the Minto ordinance also exempts sales of natural gas, new farm machinery, and new farm irrigation equipment. The city ordinance provides for permit holder compensation of 3% of the tax reported not to exceed \$83.33 per month or \$250.00 per quarter. The ordinance includes a maximum tax (refund cap) of \$25.00 per transaction.

The city of New Salem has imposed a 1 percent city sales, use and gross receipts tax. The local tax will be reported as local code 217 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 the city.

The city of Steele has increased its local sales, use and gross receipts tax rate from 1 to 2 percent. All other provisions of the ordinance remain the same.

Maximum Tax refund caps allow purchasers to obtain a refund of the local tax paid to the retailer in excess of the cap amount. Retailers are required to collect the full selling price but purchasers may apply to the Tax Commissioner for a refund or credit.

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 used a Contractor's 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. 

SEMINAR AND WORKSHOP INFORMATION

Border State "Sales Tax" Seminars

The Office of State Tax Commissioner will participate with the Minnesota and South Dakota Departments of Revenue to present joint sales and use tax seminars. These seminars will include information on the similarities and differences in the states' sales and use tax laws. You are invited to attend these free workshops. Please preregister because space is limited.

North Dakota/Minnesota Sales Tax Issue Workshop, May 8, 2007

- Sales & Use Tax 9:00 am – 12:30 pm
- West Acres Mall, Fargo, ND – basement meeting room
- To register, call the Minnesota Department of Revenue at 651-297-4213 or the North Dakota Tax Commissioner's Office at 701-328-3475.

North Dakota/South Dakota Sales Tax Issue Workshop, May 10, 2007

- Sales Tax 8:30 am – 12:00 pm
- Contractors Tax 1:00 pm – 3:00 pm
- Lake Area Technical Institute, Watertown, South Dakota
- To register, go to www.state.sd.us/revenue, call the South Dakota Department of Revenue at 800-829-9188, or call the North Dakota Tax Commissioner's Office at 701-328-3475.

Greater North Dakota Chamber of Commerce Workshops

The Greater North Dakota Chamber of Commerce will be sponsoring Business Update Workshops across the state in May 2007. The Office of State Tax Commissioner will join the Office of Labor Commissioner, Job Service North Dakota, and Office of the Attorney General to present an overview of 2007 legislation and other topics of interest.

For more information about the workshop in your area go to www.ndchamber.com or call (701) 222-0929. Cost is \$40 per person for any ND Chamber or local chamber member and \$60 per person for any business that is not a member of the ND Chamber or a local chamber. 