



STATE OF NORTH DAKOTA  
**OFFICE OF STATE TAX COMMISSIONER**  
*Ryan Rauschenberger, Commissioner*

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To: North Dakota Sales, Use, and Gross Receipts Tax Permit Holders

Subject: Local Tax Changes Effective April 1, 2015

Date: January 30, 2015

The following summarizes the local option tax changes effective April 1, 2015. Information will be mailed to permit holders located within the city and county where the change will occur.

**Grafton**

The city of Grafton will increase its city sales, use, and gross receipts tax by one half percent (1/2%). The tax rate for Grafton starting April 1, 2015 will be two and one percent (2-1/2%).

- Maximum Tax (Refund Cap) is eliminated

(For additional information:

<http://www.nd.gov/tax/salesanduse/streamlinetax/ratechange.html>)

**Jamestown**

The city of Jamestown will decrease its city sales, use, and gross receipts tax by one percent (1%).

The tax rate for Jamestown starting April 1, 2015 will be one percent (1%).

- Maximum Tax (Refund Cap) will be \$25/sale

(For additional information:

<http://www.nd.gov/tax/salesanduse/streamlinetax/ratechange.html>)

**Killdeer**

The city of Killdeer will increase its city sales, use, and gross receipts tax by one half percent (1/2%).

The tax rate for Killdeer starting April 1, 2015 will be two percent (2%).

- Maximum Tax (Refund Cap) has been eliminated

(For additional information:

<http://www.nd.gov/tax/salesanduse/streamlinetax/ratechange.html>)

**Kindred**

The city of Kindred will increase its city sales, use, and gross receipts tax by one half percent (1/2%).

The tax rate for Kindred starting April 1, 2015 will be two percent (2%).

- Maximum Tax (Refund Cap) remains at \$50/sale

(For additional information:

<http://www.nd.gov/tax/salesanduse/streamlinetax/ratechange.html>)

**Underwood**

The city of Underwood will increase its city sales, use, and gross receipts tax by one half percent (1/2%).

The tax rate for Underwood starting April 1, 2015 will be two percent (2%). No other changes were made.

(For additional information:

<http://www.nd.gov/tax/salesanduse/streamlinetax/ratechange.html>)

### **Williams County**

Williams County will impose a county sales, use, and gross receipts tax of one percent (1%) effective April 1, 2015. The following gives a brief synopsis of the newly imposed tax:

- Will be reported under local tax code 504
- Includes no Maximum Tax (Refund Cap)
- No additional exemptions that what is provided by state tax laws
- Exempts contracts awarded prior to effective date
- Sunset date March 31, 2025
- Provides no permit compensation

(For additional information:

<http://www.nd.gov/tax/salesanduse/streamlinetax/ratechange.html>

### **Belfield**

The city of Belfield will impose a two percent (2%) City Lodging tax effective April 1, 2015. The 2% City Lodging tax will apply to:

- Gross receipts from leasing or renting of hotel, motel or tourist court accommodations for a period of less than 30 consecutive calendar days or one month

### **Watford City**

The city of Watford City will impose a one percent (1%) City Lodging and Restaurant tax effective April 1, 2015.

The 1% City Lodging and Restaurant tax will apply to:

- Gross receipts from leasing or renting of hotel, motel or tourist court accommodations for a period of less than 30 consecutive calendar days or one month
- Gross receipts of restaurants or bars from sales of prepared food and non-alcoholic beverages
- On-sale alcoholic beverages

(For additional information:

<http://www.nd.gov/tax/salesanduse/streamlinetax/ratechange.html>)

### **Maximum Tax (Refund Cap)**

The maximum tax is the amount of tax that could 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 web site at [www.nd.gov/tax](http://www.nd.gov/tax). Rate charts are also available on our web site. You may also contact the Tax Compliance Section at 701.328.1246 or by e-mail at [salestax@nd.gov](mailto:salestax@nd.gov).