



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

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

Subject: Local Tax Changes Effective October 1, 2015

Date: July 31, 2015

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

Hillsboro

At the present time, the city of Hillsboro has a two percent (2%) city sales, use, and gross receipts tax in place. Effective September 30, 2015, one percent (1%) will sunset with obligations met. The city of Hillsboro has adopted an ordinance to impose a one percent (1%) sales, use, and gross receipts tax that will become effective October 1, 2015. This new ordinance continues the local tax at two percent (2%) with no additional changes.

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

(For additional information:

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

Mandan

The city of Mandan will increase its city sales, use, and gross receipts tax by three fourths percent (3/4%). The tax rate for Mandan starting October 1, 2015 will be one and three fourths percent (1-3/4%). No additional changes were made.

- Maximum Tax (Refund Cap) remains at \$25/sale

(For additional information:

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

Ward County

At the present time, Ward County has a 1/2% sales and use tax in place. The county has adopted an ordinance to add gross receipts tax at the rate of 1/2% which will affect new farm machinery and equipment, new farm irrigation equipment, and alcohol sales. Effective October 1, 2015, Ward County will have a one half percent (1/2%) sales, use, and gross receipts tax in place.

- Maximum Tax (Refund Cap) remains at \$12.50/sale
- Coin-operated vending sales of 99 cents or less are exempt

(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 website at www.nd.gov/tax. Rate charts are also available on our website. You may also contact the Tax Compliance Section at 701.328.1246 or by e-mail at salestax@nd.gov.