



NORTH DAKOTA

Brian Kroshus, Tax Commissioner

LOCAL TAX CHANGES EFFECTIVE JULY 1, 2026

The following local tax changes will be effective July 1, 2026. For additional information on our local taxes, please visit www.tax.nd.gov/LocalTaxRate.

Drayton

At the present time, the City of Drayton imposes a 1.5% sales, use, and gross receipts tax. Effective July 1, 2026, the City of Drayton has adopted an ordinance to increase its city sales, use, and gross receipts tax by 2%. The tax rate for Drayton starting July 1, 2026, will be 3.5%. The following applies:

- Maximum tax (refund cap) of \$50.00/sale.
- No vendor compensation for permit holders.
- Limited exemption for contractors does apply.
- Tax imposed applies to contract bids submitted on or after effective date.
- No additional exemptions other than those provided by the state

Oakes

At the present time, the City of Oakes has a maximum tax (refund cap) of \$25.00 per sale. Effective July 1, 2026, the City of Oakes has adopted an ordinance to remove the maximum tax. There are no changes to the local sales, use, and gross receipts tax rate, exemptions or vendor compensation.

Scranton

At the present time, the City of Scranton imposes a 1% sales, and gross receipts tax. Effective July 1, 2026, the City of Scranton has adopted an ordinance to impose a sales, use, and gross receipts tax at a rate of 2%. The following applies:

- Maximum tax (refund cap) of \$50.00/sale.
- No vendor compensation for permit holders.
- Limited exemption for contractors does not apply.
- Tax imposed applies to contract bids submitted on or after effective date.
- No additional exemptions other than those provided by the state.

Maximum Tax (Refund Cap)

The maximum tax is the amount of tax that may 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.



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More information on state and local taxes, including the Local Taxes by Location Guideline, is available on our website at www.tax.nd.gov/LocalTaxes. Rate charts are also available via email at salestax@nd.gov. To receive notification of the quarterly updates automatically, please subscribe to our email subscription list at www.tax.nd.gov/EmailSignup. You may also contact the Sales Tax Compliance Section at 701-328-1246 or by email at salestax@nd.gov.

Subscribe:

Information regarding local tax changes is available through email updates.

Visit www.tax.nd.gov/EmailSignup to subscribe to emails from the North Dakota Office of State Tax Commissioner. There are four lists to which you may subscribe. To receive the sales tax rate change notifications, subscribe to the "Sales and Special Taxes" list. You may also view the sales tax rate change notifications at www.tax.nd.gov/LocalTaxRate.