

LOCAL TAXES BY LOCATION GUIDELINE

Rates Effective October 1, 2026

Local Taxes

This guideline contains information on local Sales, Use, and gross receipts taxes, lodging taxes, lodging and restaurant taxes, and motor vehicle rental taxes imposed by cities and counties, but administered by the North Dakota Office of State Tax Commissioner. The Office of State Tax Commissioner assumes full responsibility for collection of the taxes including delinquency control, auditing and collection activity. Local Sales, Use, and gross receipts taxes are reported on the same form as the state sales taxes. However, city lodging taxes, city lodging and restaurant taxes and city motor vehicle rental taxes are reported to the Office of State Tax Commissioner on separate forms. This guideline summarizes all the North Dakota cities and counties imposing local taxes.

New local taxes and changes to existing local taxes become effective on the first day of a calendar quarter. Updates are posted a minimum of 60 days prior to the start of the quarter on our website at www.tax.nd.gov/LocalTaxRate. To receive notification of the quarterly updates automatically, please subscribe to our Email Subscription list at www.tax.nd.gov/EmailSignup.

Local Sales, Use, and Gross Receipts Taxes as of October 1, 2026

City	Tax Type	Rate Increase (Decrease)	Local Code	Current Rate	Not Subject to Local Tax	*Maximum Tax (Refund Cap)	Permit Holder Compensation
Alexander	Sales, Use, and Gross Receipts	2% 1-1-16	237	2%	None	None	None
Anamoose	Sales, Use, and Gross Receipts	1% 1-1-09	220	1%	None	None	None
Aneta	Sales, Use, and Gross Receipts	1% 1-1-05	203	1%	New farm machinery	\$25/sale - 1-1-05	None
Ashley	Sales, Use, and Gross Receipts	1% 4-1-98 1% 1-1-25	162	2%	None	\$25/sale - 4-1-98 \$250/sale - 1-1-25	3% Max. -\$83.33/month or \$250.00/quarter
Beach	Sales, Use, and Gross Receipts	1% 10-1-97 1% 1-1-23	156	2%	New farm machinery	\$25/sale - 10-1-97 \$100/sale - 1-1-23	None
Belfield	Sales, Use, and Gross Receipts	1% 4-1-95 1% 4-1-07	133	2%	None	\$25/sale - 10-1-97 \$50/sale - 4-1-07 None - 4-1-18	None
Berthold ⁵ **(Ward)	Sales, Use, and Gross Receipts	1% 1-1-96	138	1%	New farm machinery	\$25/sale - 1-1-96	None
Beulah	Sales, Use, and Gross Receipts	1% 10-1-03 1% 1-1-15	200	2%	None	\$25/sale - 10-1-03	3% Max- \$50.00/month or \$150.00/quarter
Binford	Sales, Use, and Gross Receipts	2% 1-1-21	246	2%	None	\$200/sale - 1-1-21 \$25/sale - 7-1-21	1.5% Max-\$110.00/month or \$330.00/quarter
Bisbee	Sales and Gross Receipts only	2% 1-1-12	229	2%	None	None	3% Max. -\$50.00/month or \$150.00/quarter

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** Shaded cities also have county tax obligations.

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Local Sales, Use, and Gross Receipts Taxes as of October 1, 2026

City	Tax Type	Rate Increase (Decrease)	Local Code	Current Rate	Not Subject to Local Tax	*Maximum Tax (Refund Cap)	Permit Holder Compensation
Bismarck ⁶ **(Burleigh)	Sales, Use, and Gross Receipts	1% 4-1-86 0.5% 4-1-19 0.5% 4-1-25	102	2%	None	\$25/sale - 4-1-86 \$37.50/sale - 4-1-19	3% Max.-\$83.33/month or \$250.00/quarter
Bottineau	Sales, Use, and Gross Receipts	1% 10-1-93 1% 10-1-99 (1%) 9-30-11 1% 10-1-11	122	2%	New farm machinery	\$25/sale - 10-1-93 \$50/sale - 10-1-99	3% Max.-\$50.00/month or \$150.00/quarter
Bowman	Sales, Use, and Gross Receipts	1% 10-1-94 1% 1-1-19	126	2%	New farm machinery	\$25/ sale - 10-1-94 \$50/sale - 1-1-19	None
Buffalo ⁴ **(Cass)	Sales, Use, and Gross Receipts	1% 1-1-03 1% 1-1-13	196	2%	None	\$25/sale	3% Max.-\$83.33/month or \$250.00/quarter
Burlington ⁵ **(Ward)	Sales, Use, and Gross Receipts	1.5% 1-1-19	244	1.5%	None	None	None
Cando	Sales and Gross Receipts only	1% 7-1-98 1% 4-1-07	161	2%	None	\$25/sale - 7-1-98 None - 4-1-07	3% Max.-\$50.00/month or \$150.00/quarter
Carpio ⁵ **(Ward)	Sales, Use, and Gross Receipts	1.5% 7-1-17	240	1.5%	None	\$25/sale - 7-1-17	3% Max.-\$50.00/month or \$150.00/quarter
Carrington	Sales, Use, and Gross Receipts	1% 1-1-94 1% 4-1-14	124	2%	New farm machinery	\$25/sale - 1-1-94	None
Carson	Sales, Use, and Gross Receipts	1% 10-1-02	191	1%	None	\$25/sale 10-1-02	None
Cassellton ⁴ **(Cass)	Sales, Use, and Gross Receipts	1% 4-1-98 1% 10-1-17	163	2%	None	\$25/sale - 4-1-98 \$50/sale - 10-1-25	None
Cavalier	Sales, Use, and Gross Receipts	1% 10-1-94 0.5% 10-1-98 0.5% 1-1-10	127	2%	New farm machinery	\$25/sale - 10-1-94 \$37.50/sale - 10-1-98	None
Center	Sales, Use, and Gross Receipts	2% 1-1-16	238	2%	None	None	None
Colfax	Sales, Use, and Gross Receipts	2% 10-1-25	251	2%	None	None	None
Cooperstown	Sales, Use, and Gross Receipts	1% 7-1-96 0.5% 7-1-08	141	1.5%	New farm machinery	\$25/sale - 7-1-96 \$50/sale - 7-1-08 None - 1-1-19	None
Crosby	Sales, Use, and Gross Receipts	1% 1-1-93 1% 4-1-13 1% 10-1-13	116	3%	New farm machinery	\$25/sale - 1-1-93 \$50/sale - 4-1-13 \$75/sale - 1-1-14	None
Devils Lake	Sales, Use, and Gross Receipts	1% 7-1-88 0.5% 1-1-97 0.5% 4-1-07 0.25% 10-1-18 0.25% 1-1-23	104	2.5%	New farm machinery	\$25/sale - 10-1-18 \$35/sale - 1-1-23	3% Max.-\$83.33/month or \$250.00/quarter
Dickinson	Sales, Use, and Gross Receipts	1% 7-1-90 0.5% 1-1-02	106	1.5%	None	\$25/sale - 7-1-90 \$37.50/sale 1-1-02 \$100/sale 7-1-17	None

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NORTH DAKOTA

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City	Tax Type	Rate Increase (Decrease)	Local Code	Current Rate	Not Subject to Local Tax	*Maximum Tax (Refund Cap)	Permit Holder Compensation
Drake	Sales, Use, and Gross Receipts	1% 7-1-05 1% 7-1-08	209	2%	None	None	None
Drayton	Sales, Use, and Gross Receipts	1% 10-1-97 0.5% 10-1-10 2% 7-1-26	157	3.5%	None	\$25/sale - 10-1-97 \$50/sale - 7-1-26	None
Dunseith	Sales, Use, and Gross Receipts	1% 1-1-05 (1%) 12-31-10 1% 1-1-11 1% 7-1-25	204	2%	New farm machinery	\$25/sale - 1-1-05	None
Edgeley	Sales, Use, and Gross Receipts	1% 1-1-97 1% 10-1-06 1% 4-1-18	148	3%	None	\$25/sale - 1-1-97 None - 10-1-06 \$50/sale - 7-1-13	3% Max. -\$50.00/month or \$150.00/quarter
Edinburg ¹ **(Walsh)	Sales, Use, and Gross Receipts	1% 4-1-99	176	1%	New farm machinery	\$25/sale - 4-1-99	None
Elgin	Sales, Use, and Gross Receipts	1% 4-1-00	179	1%	None	\$25/sale - 4-1-00	None
Ellendale	Sales, Use, and Gross Receipts	1% 1-1-95 1% 1-1-17	131	2%	None	\$25/sale - 1-1-95 \$50/sale - 1-1-17 None - 7-1-18	3% Max. -\$50.00/month or \$150.00/quarter
Enderlin	Sales, Use, and Gross Receipts	1% 10-1-98 1% 10-1-11 0.5% 1-1-19	166	2.5%	None	\$25/sale - 10-1-98 None - 1-1-17	None
Fairmount	Sales, Use, and Gross Receipts	1% 4-1-05 1% 1-1-12	206	2%	None	None	None
Fargo ⁴ **(Cass)	Sales, Use, and Gross Receipts	0.5% 4-1-89 0.5% 7-1-92 0.5% 1-1-05 (0.5%) 7-1-06 0.5% 1-1-09 0.5% 1-1-10 (0.5%) 7-1-12 0.5% 1-1-13 0.25% 4-1-25	105	2.25%	None	\$12.50/sale - 4-1-89 \$25/sale - 7-1-92 \$37.50/sale - 1-1-05 \$25.00/sale - 7-1-06 \$37.50/sale - 1-1-09 \$50/sale - 1-1-10 \$37.50/sale - 7-1-12 \$50/sale - 1-1-13 \$56.25/sale - 4-1-25	None
Fessenden	Sales, Use, and Gross Receipts	2% 10-1-18	243	2%	None	\$50/sale - 10-1-18	None
Finley ² **(Steele)	Sales, Use, and Gross Receipts	1% 10-1-98 1% 1-1-13	167	2%	None	\$25/sale - 10-1-98 \$50/sale - 1-1-13	None
Forman	Sales, Use, and Gross Receipts	1% 1-1-09 0.5% 4-1-12 1% 10-1-23	221	2.5%	None	\$25/sale - 1-1-09 None - 4-1-17	None
Fort Ransom	Sales, Use, and Gross Receipts	1% 1-1-00 1% 10-1-11	177	2%	None	\$25/sale - 1-1-00	None
Fredonia	Sales, Use, and Gross Receipts	2% 1-1-15	235	2%	None	None	None
Frontier ⁴ **(Cass)	Sales, Use, and Gross Receipts	1.5% 7-1-23	248	1.5%	None	None	None
Gackle	Sales, Use, and Gross Receipts	1% 1-1-06	210	1%	None	None	None

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Garrison	Sales, Use, and Gross Receipts	1% 1-1-96 1% 10-1-06	139	2%	New farm machinery	\$25/sale - 1-1-96 \$50/sale - 10-1-06	None
Glenburn	Sales, Use, and Gross Receipts	1% 7-1-08 1% 10-1-12	219	2%	None	\$25/sale - 7-1-08	None
Glen Ullin ⁷ **(Morton)	Sales, Use, and Gross Receipts	1% 1-1-07	212	1%	None	\$25/sale - 1-1-07	None
Grafton ¹ **(Walsh)	Sales, Use, and Gross Receipts	1% 1-1-91 1% 4-1-07 0.5% 4-1-15 0.25% 10-1-24	107	2.75%	New farm machinery	\$25/sale - 1-1-91 None - 4-1-15	3% Max.-\$83.33/month or \$250.00/quarter
Grand Forks	Sales Tax Use Tax Sales, Use, and Gross Receipts	1% 1-1-85 0.75% 1-1-96 1.75% 7-1-00 0.5% 4-1-18	101	2.25%	None	\$43.75/sale - 1-1-85 \$56.25/sale - 4-1-18	5% Max.-\$166.67/month or \$500.00/quarter
Granville	Sales, Use, and Gross Receipts	2% 7-1-10	225	2%	None	None	None
Grenora ³ **(Williams)	Sales, Use, and Gross Receipts	1% 10-1-02	192	1%	None	\$25/sale - 10-1-02	None
Gwinner	Sales, Use, and Gross Receipts	1% 4-1-05 1% 4-1-16	207	2%	None	None	None
Halliday	Sales, Use, and Gross Receipts	1% 7-1-96	143	1%	None	\$25/sale - 7-1-96	None
Hankinson	Sales, Use, and Gross Receipts	1% 10-1-97 1% 1-1-10 1% 10-1-21	158	3%	None	\$25/sale - 10-1-97 \$50/sale - 1-1-10 \$75/sale - 10-1-21	3% No maximum
Hannaford	Sales, Use, and Gross Receipts	1% 10-1-04	202	1%	None	\$50/sale - 10-1-04	None
Harvey	Sales, Use, and Gross Receipts	1% 10-1-91 1% 1-1-15	112	2%	New farm machinery	\$25/sale - 10-1-91 \$50/sale - 1-1-15	3% Max.-\$83.33/month or \$250.00/quarter
Harwood ⁴ **(Cass)	Sales, Use, and Gross Receipts	1% 1-1-09 1% 1-1-17	222	2%	None	\$25/sale - 4-1-98 None - 1-1-17	None
Hatton	Sales, Use, and Gross Receipts	1% 4-1-98 1% 10-1-10 0.5% 4-1-19	164	2.5%	None	\$25/sale - 4-1-98	None
Hazleton	Sales, Use, and Gross Receipts	1% 10-1-00	180	2%	None	\$25/sale - 10-1-00 \$35/sale - 1-1-07	3% Max.-\$50/month or \$150/quarter
Hazen	Sales, Use, and Gross Receipts	1% 4-1-95 0.5% 1-1-14	134	1.5%	New farm machinery	\$25/sale - 4-1-95	3% Max.-\$83.33/month or \$250.00/quarter

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Hettinger	Sales, Use, and Gross Receipts	1% 7-1-02 0.5% 1-1-11	142	1.5%	None	\$25/sale - 7-1-02 \$37.50/sale - 1-1-11	None
Hillsboro	Sales, Use, and Gross Receipts	1% 10-1-98 1% 1-1-03 0.5% 7-1-21 0.5% 4-1-25	168	3%	None	\$25/sale - 10-1-98 \$50/sale - 1-1-03 \$75/sale - 7-1-21 \$100/sale - 4-1-25	None
Hoopel ¹ **(Walsh)	Sales, Use, and Gross Receipts	1% 1-1-99	172	1%	New farm machinery	\$25/sale - 1-1-99	3% Max.-\$83.33/month or \$250.00/quarter
Hope ² **(Steele)	Sales, Use, and Gross Receipts	1% 1-1-01 1% 1-1-12	185	2%	None	\$50/sale - 1-1-12	None
Horace ⁴ **(Cass)	Sales, Use, and Gross Receipts	2% 4-1-17	239	2%	None	None	None
Hunter ⁴ **(Cass)	Sales, Use, and Gross Receipts	1% 1-1-24	250	1%	None	\$150/sale - 1-1-24	None
Jamestown	Sales, Use, and Gross Receipts	1% 7-1-91 1% 4-1-02 (1%) 4-1-15 1% 4-1-16 0.5% 1-1-20	110	2.5%	New farm machinery	\$25/sale - 7-1-91 \$50/sale - 4-1-02 \$25/sale - 4-1-15 \$50/sale - 4-1-16 \$75/sale - 1-1-20	None
Kenmare ⁵ **(Ward)	Sales, Use, and Gross Receipts	1% 1-1-93 1% 10-1-07	117	2%	New farm machinery	\$25/sale - 1-1-93 \$50/sale - 10-1-07	None
Killdeer	Sales, Use, and Gross Receipts	1% 4-1-95 0.5% 1-1-07 0.5% 4-1-15	135	2%	New farm machinery	\$25/sale - 4-1-95 \$37.50/sale - 1-1-07 None - 4-1-15	None
Kindred ⁴ **(Cass)	Sales, Use, and Gross Receipts	1.5% 4-1-12 0.5% 4-1-15	230	2%	None	\$50/sale - 4-1-12 None - 10-1-26	None
Kulm	Sales, Use, and Gross Receipts	1% 4-1-98 1% 10-1-07	165	2%	None	\$25/sale - 4-1-98 \$50/sale - 10-1-07	None
Lakota	Sales, Use, and Gross Receipts	1% 1-1-07	213	1%	None	None	None
LaMoure	Sales, Use, and Gross Receipts	1% 1-1-97 0.5% 1-1-05 0.5% 4-1-10 1% 4-1-25	149	3%	New farm machinery	\$25/sale - 1-1-97 \$50/sale - 4-1-10	None
Landa	Sales, Use, and Gross Receipts	1% 1-1-24	249	1%	None	None	None
Langdon	Sales, Use, and Gross Receipts	1% 1-1-94 1% 10-1-08 1% 7-1-25	123	3%	New farm machinery	\$25/sale - 1-1-94 \$50/sale - 10-1-08 None - 7-1-25	3% Max.-\$83.33/month or \$250.00/quarter
Larimore	Sales, Use, and Gross Receipts	1% 1-1-95 1% 7-1-19	128	2%	None	\$25/sale - 1-1-95 \$50/sale - 7-1-19	None
Leeds	Sales, Use, and Gross Receipts	2% 10-1-14 1% 1-1-24	234	3%	None	None	None
Leonard ⁴ **(Cass)	Sales, Use, and Gross Receipts	1% 4-1-07 1% 1-1-11	215	2%	None	None	None

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Lidgerwood	Sales, Use, and Gross Receipts	1% 10-1-00 1% 10-1-13 1% 1-1-21	181	3%	None	\$25/sale - 10-1-00 \$50/sale - 1-1-21	None
Lignite	Sales, Use, and Gross Receipts	2% 1-1-15	236	2%	None	None	None
Lincoln ⁶ **(Burleigh)	Sales, Use, and Gross Receipts	1% 4-1-18	242	1%	None	\$25/sale - 4-1-18	3% Max.-\$50.00/month or \$150.00/quarter
Linton	Sales, Use, and Gross Receipts	1% 10-1-93 1% 10-1-06	121	2%	None	\$25/sale - 10-1-93 None - 10-1-06 \$250/sale - 4-1-18	3% Max.-\$50.00/month or \$150.00/quarter
Lisbon	Sales, Use, and Gross Receipts	1% 7-1-95 0.5% 1-1-09 0.5% 4-1-10 0.5% 10-1-18	136	2.5%	New farm machinery	\$25/sale - 7-1-95 \$37.50 - 1-1-09 \$50/sale - 4-1-10 \$62.50/sale - 10-1-18	None
Maddock	Sales, Use, and Gross Receipts	1.5% 10-1-02 0.5% 7-1-11	193	2%	None	\$25/sale - 10-1-02	None
Mandan ⁷ **(Morton)	Sales, Use, and Gross Receipts	1% 4-1-91 0.75% 10-1-15 0.5% 1-1-25	108	2.25%	None	\$25/sale - 4-1-95 \$56.25/sale - 1-1-25	3% Max.-\$83.33/month or \$250.00/quarter
Mapleton ⁴ **(Cass)	Sales, Use, and Gross Receipts	1% 7-1-07 0.5% 1-1-11 0.5% 7-1-24	218	2%	None	\$25/sale - 7-1-07 None - 7-1-24	None
Max	Sales, Use, and Gross Receipts	1% 4-1-11 1.5% 4-1-23	227	2.5%	None	\$25/sale - 4-1-11 None - 4-1-23	None
Mayville	Sales, Use, and Gross Receipts	1% 1-1-97 1% 7-1-03	150	2%	None	\$25/sale - 1-1-97 \$50/sale - 7-1-03	None
McClusky	Sales, Use, and Gross Receipts	1% 1-1-96 1% 7-1-21	140	2%	New farm machinery	\$25/sale - 1-1-96	None
McVile	Sales, Use, and Gross Receipts	1% 1-1-02 1% 7-1-10	188	2%	New farm machinery	\$25/sale - 1-1-02 \$50/sale - 7-1-10	None
Medina	Sales, Use, and Gross Receipts	1% 7-1-21	247	1%	None	\$25/sale - 7-1-21	None
Medora	Sales, Use, and Gross Receipts	2% 1-1-00 0.5% 4-1-02	178	2.5%	None	\$25/single unit purchase - 1-1-00 \$50/single unit purchase - 4-1-02	None
Michigan	Sales, Use, and Gross Receipts	1% 10-1-01 0.5% 4-1-04 0.5% 7-1-14	187	2%	New farm machinery	\$25/sale \$100/sale 10-1-24	None
Milnor	Sales, Use, and Gross Receipts	1.5% 10-1-02 1% 10-1-16	169	2.5%	New farm machinery	\$25/sale - 10-1-02	None
Minnewaukan	Sales, Use, and Gross Receipts	1.5% 1-1-07 0.5% 7-1-11	214	2%	New farm machinery	None	None

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Minot ⁵ **(Ward)	Sales Tax Use Tax Sales, Use, and Gross Receipts	1% 4-1-86 1% 7-1-90 1% 1-1-98 (1%) 6-30-14 1% 7-1-14 (1%) 9-30-21 1% 10-1-21 0.5% 10-1-26	103	2.5%	New farm machinery	\$25/customer/ vendor/day - 4-1-86 \$50/customer/ vendor/day - 1-1-98 None - 7-1-14 \$100/sale - 1-1-15 \$150/sale - 10-1-26	None
Minto ¹ **(Walsh)	Sales, Use, and Gross Receipts	1% 4-1-07	216	1%	New farm machinery	\$25/sale - 4-1-07	3% Max.-\$83.33/month or \$250.00/quarter
Mohall	Sales, Use, and Gross Receipts	1% 10-1-92 1% 4-1-18	114	2%	New farm machinery	\$25/sale - 10-1-92	None
Mott ⁸ **(Hettinger)	Sales, Use, and Gross Receipts	1% 4-1-97 0.5% 4-1-04 0.5% 1-1-13	153	2%	None	\$25/sale	None
Munich	Sales, Use, and Gross Receipts	1% 1-1-99	173	1%	None	\$25/sale - 1-1-99	3% Max.-\$50.00/month or \$150.00/quarter
Napoleon	Sales, Use, and Gross Receipts	1% 10-1-96 1% 10-1-08	144	2%	None	\$25/sale - 10-1-96 \$50/sale - 10-1-08	3% Max.-\$50.00/month or \$150.00/quarter
Neché	Sales, Use, and Gross Receipts	1% 1-1-04 1% 10-1-09	201	2%	New farm machinery	\$25/sale - 1-1-04 \$50/sale - 10-1-09	None
New England ⁸ **(Hettinger)	Sales, Use, and Gross Receipts	1% 10-1-02 1% 1-1-08	194	2%	None	\$25/sale - 10-1-02 \$100/sale - 1-1-08	None
New Leipzig	Sales, Use, and Gross Receipts	1% 1-1-99 1% 1-1-23	174	2%	None	\$25/sale - 1-1-99 \$50/sale - 1-1-23	None
New Rockford	Sales, Use, and Gross Receipts	1% 10-1-96 1% 4-1-08 0.5% 7-1-19	145	2.5%	None	\$25/sale - 10-1-96 \$50/sale - 4-1-08	None
New Salem ⁷ **(Morton)	Sales, Use, and Gross Receipts	1% 4-1-07 1% 1-1-19	217	2%	None	None	None
New Town	Sales, Use, and Gross Receipts	1% 1-1-18 1% 1-1-23	241	2%	New farm machinery	\$25/sale - 1-1-18 None - 1-1-23	3% Max.-\$83.33/month or \$250.00/quarter
Northwood	Sales, Use, and Gross Receipts	1% 1-1-03 0.5% 10-1-06 1% 1-1-21 0.5% 1-1-23	197	3%	None	\$25/sale - 1-1-03 None - 10-1-06 \$37.50/sale - 1-1-07 \$25/sale - 1-1-21	None
Oakes	Sales, Use, and Gross Receipts	1% 10-1-96 0.5% 10-1-03 0.5% 10-1-10	146	2%	None	\$25/sale None - 7-1-26	3% Max.-\$83.33/month or \$250.00/quarter
Oxbow ⁴ **(Cass)	Sales, Use, and Gross Receipts	1% 1-1-02	189	1%	None	None	None

* Customers may request a refund of local tax paid if the amount exceeds the maximum tax due to a city or county. Please see page 15, Maximum Tax Refund.

** Shaded cities also have county tax obligations.



NORTH DAKOTA

Brian Kroshus, Tax Commissioner

LOCAL TAXES BY LOCATION GUIDELINE

Local Sales, Use, and Gross Receipts Taxes as of October 1, 2026

City	Tax Type	Rate Increase (Decrease)	Local Code	Current Rate	Not Subject to Local Tax	*Maximum Tax (Refund Cap)	Permit Holder Compensation
Page ⁴ **(Cass)	Sales, Use, and Gross Receipts	1% 4-1-05 1% 7-1-16	208	2%	None	\$25/sale - 4-1-05 \$50/sale - 7-1-16	None
Park River ¹ **(Walsh)	Sales, Use, and Gross Receipts	1% 1-1-95 1% 7-1-05 0.5% 4-1-25	130	2.5%	New farm machinery	\$25/sale - 1-1-95 None - 10-1-12	None
Pembina	Sales, Use, and Gross Receipts	1% 1-1-93 0.5% 10-1-09 1% 1-1-10	119	2.5%	New farm machinery	\$25/sale - 1-1-93 \$50/sale - 10-1-09	None
Portland	Sales, Use, and Gross Receipts	1% 1-1-97 1% 7-1-03	151	2%	None	\$25/sale - 1-1-97 \$50/sale - 7-1-03	None
Powers Lake	Sales, Use, and Gross Receipts	1% 4-1-97	154	1%	New farm machinery	\$25/sale - 4-1-97	3% Max.-\$83.33/month or \$250.00/quarter
Ray ³ **(Williams)	Sales, Use, and Gross Receipts	1.5% 1-1-13 0.5% 4-1-14	232	2%	None	None	None
Reeder	Sales, Use, and Gross Receipts	1% 1-1-03	198	1%	New farm machinery	\$25/sale - 1-1-03	None
Regent ⁸ **(Hettinger)	Sales, Use, and Gross Receipts	1% 1-1-97 1% 4-1-09	152	2%	None	\$25/sale - 1-1-97 None - 4-1-09	None
Richardton	Sales, Use, and Gross Receipts	1% 10-1-97 1% 1-1-08 0.5% 1-1-22	159	2.5%	None	\$25/sale - 10-1-97 \$100/sale - 1-1-08 None - 1-1-22	None
Rolette	Sales, Use, and Gross Receipts	1% 1-1-03 1% 1-1-14	199	2%	New farm machinery	\$25/sale - 1-1-03	None
Rolla	Sales, Use, and Gross Receipts	1% 1-1-94 0.5% 10-1-04 0.5% 1-1-10 1% 7-1-24	125	3%	New farm machinery	\$25/sale \$50/sale - 7-1-24	None
Rugby	Sales, Use, and Gross Receipts	1% 1-1-93 1% 10-1-09	118	2%	New farm machinery	\$25/sale - 1-1-93 None - 10-1-25	3% Max.-\$50.00/month or \$150.00/quarter
Scranton	Sales and Gross Receipts Only Sales, Use, and Gross Receipts	1% 4-1-02 1% 7-1-26	190	2%	None	\$25/sale - 4-1-02 \$50/sale - 7-1-26	None
Sherwood	Sales, Use, and Gross Receipts	2% 1-1-26	252	2%	None	\$25/sale - 1-1-26	None
South Heart	Sales, Use, and Gross Receipts	2% 4-1-13	233	2%	None	None	None
St. John	Sales, Use, and Gross Receipts	1% 1-1-01	186	1%	None	\$25/sale	3% Max.-\$83.33/month or \$250.00/quarter
Stanley	Sales, Use, and Gross Receipts	1% 10-1-95 0.5% 4-1-13	137	1.5%	New farm machinery	\$25/sale - 10-1-95	3% Max.-\$83.33/month or \$250.00/quarter

* Customers may request a refund of local tax paid if the amount exceeds the maximum tax due to a city or county. Please see page 15, Maximum Tax Refund.

** Shaded cities also have county tax obligations.

LOCAL TAXES BY LOCATION GUIDELINE

Local Sales, Use, and Gross Receipts Taxes as of October 1, 2026

City	Tax Type	Rate Increase (Decrease)	Local Code	Current Rate	Not Subject to Local Tax	*Maximum Tax (Refund Cap)	Permit Holder Compensation
Steele	Sales, Use, and Gross Receipts	1% 10-1-96 1% 4-1-07 0.5% 7-1-22	147	2.5%	None	\$25/sale - 10-1-96 None - 1-1-13	None
Strasburg	Sales, Use, and Gross Receipts	1% 4-1-93 1% 1-1-11	120	2%	None	\$25/sale - 4-1-93 None - 1-1-11	3% Max.-\$50.00/month or \$150.00/quarter
Streeter	Sales, Use, and Gross Receipts	1% 1-1-09	223	1%	None	None	None
Surrey ⁵ **(Ward)	Sales, Use, and Gross Receipts	2% 7-1-12 1% 1-1-26	231	3%	New farm machinery	None \$25/sale - 1-1-26	None
Thompson	Sales, Use, and Gross Receipts	2% 10-1-20	245	2%	New farm machinery	None	None
Tioga ³ **(Williams)	Sales, Use, and Gross Receipts	1% 1-1-95 1% 1-1-13 0.5% 4-1-13 (1%) 12-31-20 1% 1-1-21	132	2.5%	None	\$25/sale - 1-1-95 None - 7-1-17	None
Tower City ⁴ **(Cass/Barnes)	Sales, Use, and Gross Receipts	1% 10-1-02 1% 1-1-14	195	2%	New farm machinery	\$25/sale - 10-1-02	None
Towner	Sales, Use, and Gross Receipts	1% 10-1-98 1% 1-1-19	170	2%	New farm machinery	\$25/sale - 10-1-98	3% Max.-\$50.00/month or \$150.00/quarter
Turtle Lake	Sales, Use, and Gross Receipts	1% 10-1-00 1% 4-1-09 1% 1-1-25	182	3%	New farm machinery	\$25/sale - 10-1-00 \$50/sale - 4-1-09 \$75/sale - 1-1-25	None
Underwood	Sales, Use, and Gross Receipts	1.5% 10-1-06 0.5% 4-1-15	211	2%	New farm machinery	None	None
Valley City	Sales, Use, and Gross Receipts	1% 1-1-92 0.5% 7-1-03 0.5% 7-1-07 0.5% 10-1-10	113	2.5%	New farm machinery	\$25/sale - 1-1-92 \$37.50/sale - 7-1-03 \$50.00/sale - 7-1-07 \$62.50/sale - 10-1-10	None
Velva	Sales, Use, and Gross Receipts	1% 1-1-99 1% 10-1-07 (1%) 6-30-14 1% 1-1-15	175	2%	New farm machinery	\$25/sale - 1-1-99 \$50/sale - 1-1-10 \$25/sale - 1-1-14	None
Wahpeton	Sales, Use, and Gross Receipts	1% 7-1-91 0.5% 10-1-99 0.5% 1-1-10 1% 10-1-25	111	3%	New farm machinery	\$25/sale - 7-1-91 \$50/sale - 1-1-10 None - 1-1-25 \$75/sale - 10-1-25	None
Walhalla	Sales, Use, and Gross Receipts	1% 10-1-97 1% 1-1-09	160	2%	New farm machinery	\$25/sale - 10-1-97 \$50/sale - 1-1-09 None - 10-1-26	None
Washburn	Sales, Use, and Gross Receipts	1% 10-1-00 1% 1-1-09	183	2%	None	\$25/sale - 10-1-00 None - 1-1-15	3% Max.-\$83.33/month or \$250.00/quarter

* Customers may request a refund of local tax paid if the amount exceeds the maximum tax due to a city or county. Please see page 15, Maximum Tax Refund.

** Shaded cities also have county tax obligations.

LOCAL TAXES BY LOCATION GUIDELINE

Local Sales, Use, and Gross Receipts Taxes as of October 1, 2026

City	Tax Type	Rate Increase (Decrease)	Local Code	Current Rate	Not Subject to Local Tax	*Maximum Tax (Refund Cap)	Permit Holder Compensation
Watford City	Sales, Use, and Gross Receipts	1% 10-1-98 0.5% 10-1-14	171	1.5%	New farm machinery	\$25/sale - 10-1-98 none - 10-1-18	3% Max.-\$83.33/month or \$250.00/quarter
West Fargo ⁴ ** (Cass)	Sales, Use, and Gross Receipts	1% 10-1-94 1% 10-1-14 0.5% 7-1-23	129	2.5%	None	\$25/sale - 10-1-04 None - 10-1-14	None
Westhope	Sales, Use, and Gross Receipts	1% 7-1-10 1% 4-1-19	226	2%	None	\$25/sale - 7-1-10	None
Williston ³ ** (Williams)	Sales, Use, and Gross Receipts	1% 7-1-91 1% 4-1-03 (1%) 3-31-11 1% 4-1-12	109	2%	New farm machinery	\$25/sale - 7-1-91 \$50/sale - 4-1-03 \$25/sale - 4-1-11 \$50/sale - 10-1-12	3% Max.-\$83.33/month or \$250.00/quarter
Wilton ⁶ ** (McLean/Burleigh)	Sales, Use, and Gross Receipts	1% 10-1-00 1% 1-1-13	184	2%	None	\$25/sale - 10-1-00 \$50/sale - 1-1-13	3% Max.-\$83.33/month or \$250.00/quarter
Wimbledon	Sales, Use, and Gross Receipts	1% 1-1-05 1% 1-1-21	205	2%	New farm machinery	\$25/sale - 1-1-05 \$50/sale - 1-1-21	None
Wishek	Sales, Use, and Gross Receipts	1% 4-1-97 0.5% 1-1-13 0.5% 1-1-23	155	2%	None	\$25/sale - 4-1-97 None - 1-1-07	3% Max.-\$83.33/month or \$250.00/quarter
Woodworth	Sales, Use, and Gross Receipts	1% 1-1-09	224	1%	None	\$30/sale - 1-1-09	None
Wyndmere	Sales, Use, and Gross Receipts	2% 10-1-11 1% 1-1-21	228	3%	New farm machinery	None	None

* Customers may request a refund of local tax paid if the amount exceeds the maximum tax due to a city or county. Please see page 15, Maximum Tax Refund.

** Shaded cities also have county tax obligations.

LOCAL TAXES BY LOCATION GUIDELINE

County Sales, Use, and Gross Receipts Taxes as of October 1, 2026

County	Tax Type	Rate Increase (Decrease)	Local Code	Current Rate	Not Subject to Local Tax	*Maximum Tax (Refund Cap)	Permit Holder Compensation
Burleigh County ⁶	Sales, Use, and Gross Receipts	0.5% 10-1-14 0.5% 10-1-24	506	1%	None	\$25/sale - 10-1-14	3% Max.-\$83.33 or \$250.00/quarter
Cass County ⁴	Sales, Use, and Gross Receipts	0.5% 10-1-99 (0.5%) 4-1-03 0.5% 4-1-11	501	0.5%	None	\$12.50/sale - 4-1-11	None
Hettinger County ⁸	Sales, Use, and Gross Receipts	0.5% 1-1-17	508	0.5%	None	\$25/sale - 1-1-17	None
Morton County ⁷	Sales, Use, and Gross Receipts	0.5% 10-1-14 0.5% 4-1-25	507	1%	None	\$25/sale - 10-1-14	3% Max.-\$83.33 or \$250.00/quarter
Steele County ²	Sales, Use, and Gross Receipts	1% 4-1-05	503	1%	None	\$25/sale - 4-1-05	None
Walsh County ¹	Sales, Use, and Gross Receipts	0.25% 4-1-01 0.75% 1-1-26	502	1%	None	\$25/sale - 4-1-01 \$50/sale - 1-1-26	None
Ward County ⁵	Sales, Use, and Gross Receipts	0.5% 4-1-13 10-1-15	505	0.5%	None	\$12.50/sale - 4-1-13 \$50/sale - 1-1-23	None
Williams County ³	Sales, Use, and Gross Receipts	0.5% 10-1-06 (0.5%) 10-1-12 1% 4-1-15	504	1%	None	\$12.50/sale - 10-1-06 None - 4-1-15	None

County Tax

The county sales, use, and gross receipts tax is in addition to state and city sales, use, and gross receipts tax.

- 1 Walsh County: Edinburg, Grafton, Hoople, Minto and Park River have city taxes and are located within Walsh County.
- 2 Steele County: Finley and Hope have city taxes and are located within Steele County.
- 3 Williams County: Grenora, Ray, Tioga, and Williston have city taxes and are located within Williams County.
- 4 Cass County: Buffalo, Casselton, Fargo, Frontier, Harwood, Horace, Hunter, Kindred, Leonard, Mapleton, Oxbow, Page, Tower City, and West Fargo have city taxes and are located within Cass County.
- 5 Ward County: Berthold, Burlington, Carpio, Kenmare, Minot, and Surrey have city taxes and are located within Ward County.
- 6 Burleigh County: Bismarck, Lincoln, and the southern portion of the city of Wilton are located within Burleigh County.
- 7 Morton County: Glen Ullin, Mandan, and New Salem have city taxes and are located within Morton County.
- 8 Hettinger County: Mott, New England, and Regent have city taxes and are located within Hettinger County.

State Sales Taxes

The Office of State Tax Commissioner has prepared a number of sales and use tax guidelines that provide a better understanding of the North Dakota sales and use laws. These guidelines are available at www.tax.nd.gov/guidelines.

State Sales Tax Rates:

- 3% on the total receipts from retail sales of new mobile homes. (Used mobile homes are exempt).
- 5% on the total receipts from all other taxable retail sales of tangible personal property and services except where alcohol or farm machinery gross receipts taxes apply.

Gross Receipt Tax Rates:

- 3% on the gross receipts from retail sales of new farm machinery and new irrigation equipment used exclusively for agricultural purposes. (Used farm machinery and used irrigation equipment used exclusively for agricultural purposes are exempt).
- 7% on the gross receipts from retail sales of alcoholic beverages sold for consumption either on or off-the-premises.
- * The 1% tax on the gross receipts from the leasing or renting of hotel, motel or tourist court accommodations for period of less than 30 consecutive days, excluding bed and breakfast accommodations is no longer applicable. It was in effect from 7-1-03 to 6-30-07.

* Customers may request a refund of local tax paid if the amount exceeds the maximum tax due to a city or county. Please see page 15, Maximum Tax Refund.

Local Lodging Tax & Local Lodging and Restaurant Tax

In addition to local Sales, Use, and gross receipts taxes, cities and counties can impose local taxes on lodging accommodations, restaurant meals and on-sale beverages. Unlike local Sales, Use, and gross receipts taxes, local lodging and local lodging and restaurant taxes do not contain any special exemptions or compensation allowances. A county may not impose their local lodging or local lodging and restaurant tax inside the city limits of a city that already, or subsequently, imposes a like lodging or lodging and restaurant tax administered through the North Dakota Office of State Tax Commissioner.

Local Lodging Tax

Location	Effective Date	Rate	Location	Effective Date	Rate	Location	Effective Date	Rate
Ashley	10-1-91	2%	Hankinson	9-1-06	2%	Oakes	4-1-11	2%
Beach	11-1-05	2%	Harvey	1-1-06	2%	Parshall	10-1-07	2%
Belfield	4-1-15	2%	Hazen	7-1-10	2%	Pembina	1-1-21	2%
Beulah	5-1-87	2%	Hettinger	3-1-91	2%	Ramsey County	4-1-20	2%
Bismarck	7-1-87	2%	Hillsboro	1-1-18	2%	Ray	1-1-13	1%
Bottineau	6-1-84	2%	Jamestown	7-1-82	2%	Regent	4-1-09	2%
Bowman	4-1-90	2%	Killdeer	1-1-13	2%	Riverdale	10-1-10	1%
Carrington	1-1-88	2%	Lakota	9-1-06	2%	Rugby	9-1-83	2%
Cavalier	1-1-16	2%	Langdon	10-1-95	2%	Stanley	1-1-17	2%
Cooperstown	10-1-08	1%	Linton	7-1-15	2%	Steele	10-1-91	2%
Crosby	4-1-13	1%	Lisbon	1-1-06	2%	Tioga	1-1-13	2%
Devils Lake	7-1-84	2%	Mandan	7-1-87	2%	Wahpeton	4-1-89	2%
Dickinson	7-1-82	2%	McVile	1-1-09	2%	Walhalla	1-1-09	1%
Drayton	7-1-07	2%	Medora	4-1-82	2%	Washburn	7-1-15	2%
Ellendale	10-1-12	2%	Minnewaukan	1-1-13	2%	Watford City	4-1-86	2%
Garrison	4-1-96	2%	Napoleon	4-1-25	2%	Williams County	1-1-20	2%
Glen Ullin	1-1-13	2%	New Rockford	10-1-23	1%	Williston	1-1-82	2%
Grafton	4-1-93	2%	New Town	6-1-87	1%	Wishek	1-1-07	2%
						Wyndmere	10-1-12	2%

Note: Fargo, Grand Forks, Minot, Valley City, and West Fargo also impose a local lodging tax, however, their taxes are administered locally.

Local Lodging and Restaurant Tax

Location	Applies to	Effective Date	Rate	Location	Applies to	Effective Date	Rate
Beulah	Lodging, food, liquor	1-1-09	1%	McVile	Lodging, food	4-1-09	1%
Bismarck	Lodging, food, liquor	7-1-87	1%	Medina	Lodging, food, liquor	1-1-26	1%
Bottineau	Lodging, food, liquor	3-3-90	1%	Minnewaukan	Lodging, food, liquor	1-1-13	1%
Bowman	Lodging, food, liquor	4-1-90	1%	Parshall	Lodging, food, liquor	10-1-07	1%
Devils Lake	Lodging, food	7-1-95	1%	Pick City	Lodging, food, liquor	7-1-93	1%
Dickinson	Lodging, food, liquor	7-1-82	1%	Ramsey County	Lodging, food	4-1-20	1%
Drayton	Lodging, food, liquor	7-1-07	1%	Regent	Lodging, food, liquor	4-1-09	1%
Edgeley	Lodging, food, liquor	4-1-97	1%	Riverdale	Lodging, food, liquor	10-1-10	1%
Ellendale	Lodging, food, liquor	7-1-05	1%		Lodging, Food	10-1-97	
Glen Ullin	Lodging, food, liquor	1-1-13	1%	Rugby	Lodging, food, liquor	7-1-24	1%
Grand Forks	Lodging, food, liquor	1-1-06	0.25%	Valley City	Food, liquor	5-1-97	1%
Hazen	Lodging, food, liquor	10-1-01	1%	Wahpeton	Lodging, food	1-1-13	1%
Jamestown	Lodging, food	7-1-88	1%	Watford City	Lodging, food, liquor	4-1-15	1%
Lakota	Lodging	9-1-06	1%	Williams County	Lodging, food, liquor	1-1-20	1%
Lisbon	Lodging, food, liquor	1-1-06	1%	Williston	Lodging, food, liquor	10-1-14	1%
Mandan	Lodging, food, liquor	11-1-87	1%	Wyndmere	Lodging, food, liquor	10-1-12	1%



NORTH DAKOTA

Brian Kroshus, Tax Commissioner

LOCAL TAXES BY LOCATION GUIDELINE

Example:

Williams County has a 2% local lodging and a 1% local lodging and restaurant tax.

Tioga, a city located inside Williams County has a 2% lodging tax, but no lodging and restaurant tax.

A hotel, motel, or other lodging facility located inside Tioga will charge 11.5% tax (5% state sales tax + 1% county sales tax + 2.5% city sales tax + 2% Tioga Local lodging tax + 1% Williams County local lodging and restaurant tax).

A restaurant (sale of food and non-alcoholic beverages) located inside Tioga will charge 9.5% tax (5% state sales tax + 1% county sales tax + 2.5% city sales tax + 1% Williams County local lodging and restaurant tax).

City Motor Vehicle Rental Tax

Three cities (Bismarck, Grand Forks, and Minot) impose a 1% tax on the rental of any motor vehicle for fewer than 30 days when that motor vehicle is either delivered to a renter at an airport or delivered to a renter who was picked up by the retailer at an airport. For the purposes of this tax, a “retailer” means a company for which the primary business is the renting of motor vehicles for periods of fewer than 30 days.

Collection and Payment of Local Taxes

When a purchaser receives goods (delivered or picked up) within a city or county which imposes a local tax, both the state and local sales taxes must be collected by the retailer on the retail selling price of the goods. The retail selling price includes delivery fees or shipping charges.

A leasing or rental company must collect local taxes on the leases or rentals occurring within a city or county that imposes a local tax. If a local tax rate change takes effect in the middle of a lease or rental contract, the new local tax rate must be collected on all subsequent lease or rental billings.

Local Sales, Use, and gross receipts tax ordinances parallel state Sales, Use, and gross receipts tax law. All exemptions applicable for state Sales, Use, and gross receipts taxes also apply to local Sales, Use, and gross receipts taxes, including exemptions for sales tax exempt entities (schools, government agencies, hospitals, etc.) and some sales to Montana residents.

Properly utilized resale certificates, exemption certificates and processing certificates exempt sales and purchases from both state and local Sales, Use, and gross receipts taxes. A certificate cannot be used to exempt only one level of tax (state, city or county).

Out-of-State and Remote Sellers

Prior to the United States Supreme Court ruling on *South Dakota v. Wayfair* in June 2018, out-of-state and remote sellers needed to establish a physical business presence in North Dakota to be required to collect North Dakota's state and local taxes. Some examples of physical business presence include:

- A permanent or temporary location within the state
- Sales, service or repair personnel working within the state
- Owning equipment which is leased or rented within the state
- Using company vehicles to deliver goods into the state

Now, North Dakota law also requires out-of-state and remote sellers to collect state and local sales taxes on taxable sales made into North Dakota if their taxable sales delivered to North Dakota exceed \$100,000 in the current or prior calendar year.

When an out-of-state or remote seller's sales meet the \$100,000 threshold for the first time, they have 60 days to register and start collecting North Dakota state and local taxes.



NORTH DAKOTA

Brian Kroshus, Tax Commissioner

LOCAL TAXES BY LOCATION GUIDELINE

Marketplace Facilitators

Starting October 1, 2019, a marketplace facilitator which facilitates sales for a seller through an electronic or physical marketplace is required to collect state and local sales taxes on taxable sales made into North Dakota if they have a physical presence or if their taxable sales delivered to North Dakota exceed \$100,000 in the current or prior calendar year.

When a marketplace facilitator's sales meet the \$100,000 threshold for the first time, they have 60 days to register and start collecting North Dakota state and local taxes.

State and Local Gross Receipts Taxes

The State of North Dakota imposes separate gross receipts taxes, rather than sales taxes, on the sales of new farm machinery and new farm irrigation equipment used exclusively for agricultural purposes and the retail sales of alcoholic beverages sold for consumption on or off-the-premises. Local jurisdictions may also impose gross receipts tax on these items.

Tribal Tax

Standing Rock Sioux Tribe:

The Office of State Tax Commissioner previously administered the Standing Rock Sioux Tribal tax for the period July 1, 2016 through March 6, 2017. Please contact the Standing Rock Sioux Tribe Tax Department at 701-854-7340 with questions relating to the application of the Tribal tax beginning March 7, 2017.

Use Tax

If the purchaser did not pay a local tax at the time of purchase, the goods will be subject to local use tax if the purchaser takes the goods into a city or county imposing a local use tax for storage, use or consumption in that taxing jurisdiction. The tax is due on the fair market value of the goods when they enter the taxing jurisdiction. In these situations, the purchaser is responsible to report the purchase and pay the local tax liability. The seller of the goods is not responsible to collect the use tax in this situation.

The cities of Bisbee and Cando impose a local sales tax only; they do not impose a local use tax. Local tax in the cities of Bisbee and Cando applies only if the seller and buyer are located within the city limits of these cities.

Credit is allowed for sales and use tax legally due and paid in another local jurisdiction and can be offset with the sales or use tax due the purchaser's local jurisdiction if the other local jurisdiction provides a like credit.

Example: If an item is purchased in Fargo (2.25% local tax + 0.5% county tax) and brought into West Fargo (2.5% city tax + 0.5% county tax) for storage, use, or consumption, an additional 0.25% local tax is due as use tax to the city of West Fargo. This additional 0.25% is self-accrued by the purchaser and reported under West Fargo local tax on the sales and use tax return or One-Time Remittance Form found on our website at www.tax.nd.gov/forms.

Contractors

A contractor or subcontractor entering into any contract, except for a labor only contract, is regarded as the final user or consumer of all tangible personal property installed into real property. A contractor or subcontractor is responsible for paying state and local sales or use tax on tangible personal property used or consumed to complete a service contract.

Construction materials are subject to local tax if:

- Purchased from a retailer located inside a taxing jurisdiction for use inside that taxing jurisdiction.
- Purchased elsewhere but stored, used or consumed inside a taxing jurisdiction.

Please Note: The local tax due is reduced by the local tax legally due and paid to another city or county, so reciprocity applies.

LOCAL TAXES BY LOCATION GUIDELINE

Generally, contractors who provide a certificate of exemption (found at www.tax.nd.gov/forms) to avoid payment of sales tax at the time construction materials are purchased are subject to the city or county use tax when the goods are installed whether the goods are used inside or outside of a taxing jurisdiction. The tax is due to the taxing jurisdiction where the goods were purchased.

Sixty (60) local sales tax ordinances provide a limited exemption for materials that are purchased within the jurisdiction, but later installed outside of the jurisdiction where the sale took place. These jurisdictions are Alexander, Anamoose, Aneta, Binford, Bismarck, Bottineau, Burleigh County, Carpio, Cooperstown, Devils Lake, Dickinson, Drake, Drayton, Dunseith, Edgeley, Enderlin, Fairmount, Fargo, Forman, Fort Ransom, Gackle, Garrison, Glenburn, Glen Ullin, Grenora, Gwinner, Halliday, Hankinson, Hannaford, Hettinger County, Lakota, LaMoure, Landa, Leonard, Lidgerwood, Lincoln, Lisbon, Max, McVile, Mohall, Morton County, New Leipzig, New Salem, Northwood, Page, Ray, Rolla, Sherwood, St. John, Streeter, Surrey, Thompson, Underwood, Wahpeton, Ward County, Washburn, Williston, Wimbledon, Woodworth and Wyndmere.

To qualify for the limited exemption, a contractor must provide the supplier a certificate of exemption at the time of purchase and ask to be exempt from both state and local sales taxes. When the goods are used, the contractor must pay state use tax on the cost of the goods. The local use tax is due to the city or county where the goods are installed only if the goods are installed within a city or county that imposes a local use tax.

A certificate of exemption may also be used in all other taxing jurisdictions that impose local Sales, Use, and gross receipts taxes but that do not allow the limited exemption. When the materials are used, use tax is due to the local jurisdiction where the materials were purchased regardless of where the materials were installed. If the certificate of exemption is not provided, city, county and state sales tax are due at the time of purchase.

Construction materials are not subject to local tax if the goods were purchased from a retailer located in a taxing jurisdiction, but delivered by the retailer outside the taxing jurisdiction for use outside of that taxing jurisdiction.

It is important to note that the maximum tax (refund cap) is calculated on each material purchase a contractor makes to fulfill a construction contract, not on purchase orders or the entire construction contract itself. Accordingly, most construction activity which is subject to local sales or use tax will include more than the specified maximum tax in total local tax costs. While retailers may collect the full amount of sales tax for retail sales (customers may apply for a refund of local tax collected in excess of the maximum tax), when use tax is accrued, it should be accrued up to the maximum tax amount only.

Maximum Tax Refund

The maximum tax is the maximum amount of local tax that could apply to a single transaction. The maximum tax amount (refund cap) allows purchasers to obtain a refund of the local tax paid to the retailer in excess of the maximum tax amount. When retailers collect the total local tax on the selling price and the local tax exceeds the maximum tax, purchasers may apply to the Office of State Tax Commissioner for a refund of the excess amount. Retailers may elect to collect the total tax amount or collect up to the maximum tax amount, but must be consistent in the method they choose.

To file electronically – see our website: tap.tax.nd.gov, go to Local Tax Refunds, and apply for a Local Tax Refund.

Compensation

Some local taxes provide for permit holder compensation. If the jurisdiction provides for compensation, sales and use tax permit holders are allowed to retain a portion of their local tax collections or use tax obligations to help recover administrative expenses. The jurisdictions and their appropriate rates and maximums are identified on the preceding pages. Please note that the return must be filed and paid in full by the scheduled due date or your compensation will be disallowed and your local tax obligation will be subject to penalty and interest.

Contact Information

If you have questions regarding information in this publication, please contact the Sales Tax Compliance Section at salestax@nd.gov or 701-328-1246.