



STATE OF NORTH DAKOTA
OFFICE OF STATE TAX COMMISSIONER
RYAN RAUSCHENBERGER, COMMISSIONER

To: Cavalier Sales, Use, and Gross Receipts Tax Permit Holders

From: Office of State Tax Commissioner, Tax Compliance Section

Subject: Cavalier Sales, Use, and Gross Receipts Tax

Date: October 31, 2016

At the present time, the city of Cavalier has a two percent (2%) city sales, use, and gross receipts tax in place. Effective December 31, 2016, one half percent (.5%) will sunset. Effective January 1, 2017, the city of Cavalier has adopted an ordinance to replace the one half percent (.5%) tax that ceased. This new ordinance continues the local tax at two percent (2%). The following applies:

- Maximum Tax (Refund Cap) will remain at \$37.50/sale
- New farm machinery is exempt
- Sunset date will be December 31, 2022
- No permit holder compensation is included
- Proceeds will be used for the hospital

The Office of State Tax Commissioner has contracted with the city of Cavalier to administer the city sales, use, and gross receipts tax. Tax is computed by multiplying the taxable purchase by the tax rate and carrying the product to the 3rd decimal place. If the 3rd decimal place is 5 or greater, round up; if it is 4 or less, round down. A Local Option Tax Guideline and Rate Charts are available on our website at www.nd.gov/tax.

Effective January 1, 2017, the combined state and city rates within the city limits of Cavalier will be as follows:

- General sales and use tax: 7 percent (5% state + 2% city)
- New farm machinery: 3 percent (3% state + exempt city)
- New farm irrigation equipment: 5 percent (3% state + 2% city)
- New mobile homes: 5 percent (3% state + 2% city)
- Lodging:
 - Hotel, Motel and Tourist Court Accommodations, and Bed & Breakfast Accommodations licensed under North Dakota Century Code ch. 23-09.1:
9 percent (5% state + 2% city sales + 2% City Lodging tax)
- Restaurant (sale of food and non-alcoholic beverages): 7 percent (5% state + 2% city sales)
- Alcoholic Beverages:
 - Off-sale alcoholic beverages: 9 percent (7% state + 2% city gross receipts)
 - On-sale alcoholic beverages: 9 percent (7% state + 2% city gross receipts)

Questions concerning the Cavalier city sales, use, and gross receipts tax may be directed to the Office of State Tax Commissioner. You may contact the Office of State Tax Commissioner by phone at 701.328.1246, by email at salestax@nd.gov, or by mail at Office of State Tax Commissioner, Tax Compliance Section, 600 E. Boulevard, Dept. 127, Bismarck, ND 58505-0599.