



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

**To:** Forman Sales, Use, and Gross Receipts Tax Permit Holders

**From:** Office of State Tax Commissioner, Tax Compliance Section

**Subject:** Forman Sales, Use, and Gross Receipts Tax

**Date:** January 31, 2017

At the present time, the city of Forman has a one and one half percent (1-1/2%) city sales, use and gross receipts tax in place. ***The city of Forman's city sales, use and gross receipts tax will remain at one and one half percent (1-1/2%), but effective April 1, 2017, the Maximum Tax (Refund Cap) will be eliminated.*** No additional changes were made to the ordinance. The following applies:

- Maximum Tax (Refund Cap) is eliminated
- No additional exemptions beyond what is allowed by the state
- No sunset date provided
- No permit holder compensation is included
- Proceeds will be allocated for the general fund and to debt repayment for the Sargent County Drain No. 4 Reconstruction project

The Office of State Tax Commissioner has contracted with the city of Forman 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 3<sup>rd</sup> decimal place. If the 3<sup>rd</sup> 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](http://www.nd.gov/tax).

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

- General sales and use tax: 6-1/2 percent (5% state + 1-1/2% city)
- New farm machinery: 4-1/2 percent (3% state + 1-1/2% city)
- New farm irrigation equipment: 4-1/2 percent (3% state + 1-1/2% city)
- New mobile homes: 4-1/2 percent (3% state + 1-1/2% city)
- Lodging:
  - Hotel, Motel and Tourist Court Accommodations, and Bed & Breakfast Accommodations licensed under North Dakota Century Code ch. 23-09.1:  
6-1/2 percent (5% state + 1-1/2% city sales)
- Restaurant (sale of food and non-alcoholic beverages): 6-1/2 percent (5% state + 1-1/2% city sales)
- Alcoholic Beverages:
  - Off-sale alcoholic beverages: 8-1/2 percent (7% state + 1-1/2% city gross receipts)
  - On-sale alcoholic beverages: 8-1/2 percent (7% state + 1-1/2% city gross receipts)

Questions concerning the Forman 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](mailto:salestax@nd.gov), or by mail at Office of State Tax Commissioner, Tax Compliance Section, 600 E Boulevard, Dept. 127, Bismarck, ND 58505-0599.