



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

**To:** Carpio Sales, Use, and Gross Receipts Tax Permit Holders  
**From:** Office of State Tax Commissioner, Tax Compliance Section  
**Subject:** Carpio Sales, Use, and Gross Receipts Tax  
**Date:** April 28, 2017

*Effective July 1, 2017, the city of Carpio has adopted an ordinance to impose a one and one-half percent (1-1/2%) city sales, use, and gross receipts tax.* The Carpio city tax is in addition to the state sales, use, and gross receipts tax, and the Ward County sales, use, and gross receipts tax currently in place. In addition to this new tax, the following applies:

- Will be reported under local tax code 240
- Includes \$25 per sale Maximum Tax (Refund Cap)
- Exemption provided for new farm machinery and new farm irrigation equipment
- Limited liability for contractors is included (see the Local Option Taxes Guideline for information on this limited exemption: <http://www.nd.gov/tax/salesanduse/pubs/guide/gl-21847.pdf>)
- Exempts contracts awarded prior to effective date
- Does not provide for permit holder compensation
- Sunset date of July 1, 2027 is provided
- Proceeds are intended for city infrastructure improvements, debt retirement, matching grant funds, public safety, youth programs, community development and other city enhancement projects

The Office of State Tax Commissioner has contracted with the city of Carpio 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 July 1, 2017, the combined state and city rates within the city limits of Carpio will be as follows:

- General sales and use tax: 7 percent (5% state + 1-1/2% city + 1/2% county)
- New farm machinery: 3.5 percent (3% state + exempt city + 1/2% county)
- New farm irrigation equipment: 3.5 percent (3% state + exempt city + 1/2% county)
- New mobile homes: 5 percent (3% state + 1-1/2% city + 1/2% county)
- Lodging:
  - Hotel, Motel and Tourist Court Accommodations, and Bed & Breakfast Accommodations licensed under North Dakota Century Code ch. 23-09.1:  
7 percent (5% state + 1-1/2% city sales + 1/2% county)
- Restaurant (sale of food and non-alcoholic beverages): 7 percent (5% state + 1-1/2% city sales + 1/2% county)
- Alcoholic Beverages:
  - Off-sale alcoholic beverages: 9 percent (7% state + 1-1/2% city gross receipts + 1/2% county)
  - On-sale alcoholic beverages: 9 percent (7% state + 1-1/2% city gross receipts + 1/2% county)

Questions concerning the Carpio 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.