



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

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

Subject: Local Tax Changes Effective January 1, 2018

Date: October 31, 2017

Please note:

Beginning in 2018, all local sales tax rate change notifications will be made electronically and will no longer be provided by mail. Information regarding local tax changes is available through email updates. You may sign up for email notifications online at www.nd.gov/tax. In the lower-left of the homepage, click on “Subscribe” under Email Updates, and follow the instructions. There are nine lists to which you may subscribe. To receive the sales tax rate change notifications, make sure you are subscribed to the “ND Sales and Special Taxes” list. You may also view the local sales tax rate change notifications at www.nd.gov/tax/salesanduse/localtaxes.

The following summarizes local option tax changes effective January 1, 2018. For additional information: www.nd.gov/tax/salesanduse/localtaxes

Harvey

At the present time, the city of Harvey has a two percent (2%) city sales, use, and gross receipts tax in place. Effective December 31, 2017, one percent (1%) will sunset. Effective January 1, 2018, the city of Harvey has adopted an ordinance to continue the one percent (1%) tax. This new ordinance keeps the local tax at two percent (2%).

- New farm machinery and new farm irrigation equipment are exempt for the entire 2% local rate
- Maximum tax (Refund Cap) remains at \$50/sale

New Town

The city of New Town will impose a city sales, use, and gross receipts tax of one percent (1%) effective January 1, 2018. The following gives a brief synopsis of the newly imposed tax:

- Will be reported under local tax code 241
- No additional exemptions than those provided by the state
- Maximum Tax (Refund Cap) \$25/sale
- Permit holder compensation of 3% of the tax due, maximum \$250/quarter

Velva

At the present time, the city of Velva has a two percent (2%) city sales, use, and gross receipts tax in place. Effective December 31, 2017, one percent (1%) will sunset. Effective January 1, 2018, the city of Velva has adopted an ordinance to continue the one percent (1%) tax. This new ordinance keeps the local tax at two percent (2%).

- New farm machinery and new farm irrigation equipment are exempt for the entire 2% local rate
- Maximum tax (Refund Cap) remains at \$25/sale

Hillsboro

The city of Hillsboro will impose a two percent (2%) City Lodging tax effective January 1, 2018. The 2% City Lodging tax will apply to:

- Gross receipts from leasing or renting of hotel, motel or tourist court accommodations for a period of less than 30 consecutive calendar days or one month

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.

More information on state and local taxes, including the Local Option Taxes by Location Guideline, is available on our website at www.nd.gov/tax. Rate charts are also available on our website. You may also contact the Tax Compliance Section at 701.328.1246 or by email at salestax@nd.gov.