



LOCAL TAX CHANGES EFFECTIVE OCTOBER 1, 2018

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

Devils Lake

The City of Devils Lake will increase their rate to from 2 percent to 2.25 percent beginning October 1, 2018. Maximum tax still remains at \$25 per transaction.

- Exemptions remain the same
- Vendor compensation rate remains the same
- New tax increase will apply to all purchases made for contracts bid prior to October 1, 2018

Fessenden

Beginning October 1, 2018, the City of Fessenden will initiate a new local tax. The rate will be 2 percent with a \$50 maximum tax per single transaction.

- Location code is 243
- Tax applies to sales, use and alcohol gross receipts taxes
- City doesn't offer any additional exemptions that aren't already exempted under state law
- No vendor compensation is offered
- New tax will apply to all purchases made for contracts bid prior to October 1, 2018

Kulm

The City of Kulm currently has a 2 percent city sales, use and gross receipts tax with a \$50/sale Maximum Tax (Refund Cap). Starting October 1, 2018, the city allocation of funds will change. No other changes were made to the ordinance.

Lisbon

The city of Lisbon has approved a .5 percent local tax increase to raise the rate to 2.50 percent for the city sales, use and gross receipts tax with a \$62.50/sale Maximum Tax (Refund Cap). The increase will not apply to contracts bid prior to October 1, 2018. The City of Lisbon will continue to offer the limited exemption for contractors.

Watford City

The City of Watford City has voted to eliminate their maximum tax of \$25 per single transaction effective October 1, 2018. The eliminated maximum tax will apply to all purchases made for contracts bid prior to October 1, 2018.

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.

Email Updates:

Information regarding local tax changes is available electronically. 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.