



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

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

From: Office of State Tax Commissioner, Tax Compliance Section

Subject: Grand Forks Sales, Use, and Gross Receipts Tax

Date: January 31, 2018, **Revised March 15, 2018**

At the present time, the city of Grand Forks has a one and three fourth percent (1.75%) city sales, use, and gross receipts tax in place. ***Effective April 1, 2018, the Grand Forks city sales, use, and gross receipts tax will be two and one fourth percent (2.25%).*** The following applies:

- Maximum Tax (Refund Cap) increases to \$56.25/sale
- No additional exemptions beyond what the state allows
- Permit holder compensation is included at 5% with maximum of \$166.67/month or \$500/quarter
- Proceeds will be used for property tax relief, infrastructure improvements, economic development, a multiuse civic events center, and related infrastructure improvements, and flood control, flood abatement, and flood protection projects and related improvements

The Office of State Tax Commissioner has contracted with the city of Grand Forks 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 April 1, 2018, the combined state and city rates within the city limits of Grand Forks will be as follows:

- General sales and use tax: 7.25 percent (5% state + 2.25% city)
- New farm machinery: 5.25 percent (3% state + 2.25% city)
- New farm irrigation equipment: 5.25 percent (3% state + 2.25% city)
- New mobile homes: 5.25 percent (3% state + 2.25% city)
- Lodging:
 - Hotel, Motel and Tourist Court Accommodations, and Bed & Breakfast Accommodations licensed under North Dakota Century Code ch. 23-09.1:
7.50 percent (5% state + 2.25% city sales + .25% City Lodging and Restaurant Tax)
Please note the city also administers their own city lodging tax that should be added to the 7.50 percent.
- Restaurant (sale of food and non-alcoholic beverages): 7.50 percent (5% state + 2.25% city sales + .25% City Lodging and Restaurant tax)
- Alcoholic Beverages:
 - Off-sale alcoholic beverages: 9.25 percent (7% state + 2.25% city gross receipts)
 - On-sale alcoholic beverages: **9.50 percent (7% state + 2.25% city gross receipts + .25% City Lodging and Restaurant Tax)**

Questions concerning the Grand Forks 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 Ave., Dept. 127, Bismarck, ND 58505-0599.