



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

To: New Town Sales, Use, and Gross Receipts Tax Permit Holders
From: Office of State Tax Commissioner, Tax Compliance Section
Subject: New Town Sales, Use, and Gross Receipts Tax
Date: October 31, 2017

Effective January 1, 2018, the city of New Town has adopted an ordinance to impose a one percent (1%) city sales, use, and gross receipts tax. The New Town city tax is in addition to the state 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 241
- Includes \$25 per sale Maximum Tax (Refund Cap)
- No additional exemptions than what the state provides
- No 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
- Provides permit holder compensation of 3% of tax due; maximum \$250/quarter
- No sunset date is provided
- Proceeds are intended for fire station and splash pad

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

- General sales and use tax: 6 percent (5% state + 1% city)
- New farm machinery: 4 percent (3% state + 1% city)
- New farm irrigation equipment: 4 percent (3% state + 1% city)
- New mobile homes: 4 percent (3% state + 1% city)
- 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% city sales + 1% city lodging tax)
- Restaurant (sale of food and non-alcoholic beverages): 6 percent (5% state + 1% city)
- Alcoholic Beverages:
 - Off-sale alcoholic beverages: 8 percent (7% state + 1% city gross receipts)
 - On-sale alcoholic beverages: 8 percent (7% state + 1% city gross receipts)

Questions concerning the New Town 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, Dept. 127, Bismarck, ND 58505-0599.