



## CITY OF WATFORD CITY SALES, USE & GROSS RECEIPTS TAX

The city of Watford City voters have approved the elimination of the maximum tax of \$25 per sale and it is scheduled to begin on October 1, 2018. The following applies:

- No maximum tax
- In addition to the exemptions provided by state law the city will continue to exempt the sales of new farm machinery
- The eliminated maximum tax will apply to purchases made for contracts bid prior to October 1, 2018
- Permit holder compensation will be 3 percent, with a maximum of \$83.33 per month or \$250 per quarter

The Office of State Tax Commissioner has contracted with the city of Watford City 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.

Effective October 1, 2018, the combined state and city rates within the city limits of Watford City will be as follows:

- General sales and use tax: 6.5 percent (5 percent state + 1.5 percent city)
- New farm machinery: 3 percent (3 percent state + 0 percent city)
- New farm irrigation equipment: 4.5 percent (3 percent state + 1.5 percent city)
- New manufactured homes: 4.5 percent (3 percent state + 1.5 percent city)
- Lodging:
  - Hotel, Motel and Tourist Court Accommodations, and Bed & Breakfast Accommodations licensed under North Dakota Century Code ch. 23-09.1:
    - 6.5 percent (5 percent state + 1.5 percent city sales tax)
- Restaurant (sale of food and non-alcoholic beverages): 6.5 percent (5 percent state + 1.5 percent city sales tax)
- Alcoholic Beverages:
  - Off-sale alcoholic beverages: 8.5 percent (7 percent state + 1.5 percent city gross receipts tax)
  - On-sale alcoholic beverages: 8.5 percent (7 percent state + 1.5 percent city gross receipts tax)

Questions concerning the Watford City 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.