



LOCAL TAX CHANGES EFFECTIVE APRIL 1, 2019

The following summarizes local option tax changes effective April 1, 2019. For additional information:
www.nd.gov/tax/salesanduse/loctaxes

Bismarck

At the present time, the City of Bismarck has a 1 percent city sales, use, and gross receipts tax. Effective April 1, 2019, the City of Bismarck has adopted an ordinance to continue the 1 percent tax and an ordinance to increase its city sales, use, and gross receipts tax by 0.5 percent. The tax rate for Bismarck starting April 1, 2019, will be 1.5 percent. The following applies:

- The 0.5 percent tax expires 10 years from April 1, 2019 or upon completion of project list
- Maximum tax (refund cap) increases to \$37.50/sale while the 0.5 percent ordinance is effective and will return to \$25/sale after 0.5 percent ordinance sunsets
- Compensation allowance remains at 3 percent (maximum discount \$83.33/month or \$250/quarter)
- The tax increase will apply to all contract bids prior to April 1, 2019

Hatton

At the present time, the City of Hatton has a 2 percent city sales, use, and gross receipts tax in place. Effective April 1, 2019, the City of Hatton has adopted an ordinance to increase its city sales, use, and gross receipts tax by 0.5 percent. The tax rate for Hatton starting April 1, 2019, will be 2.5 percent. No other changes were made to the ordinance. The following applies:

- Maximum tax (refund cap) remains at \$25/sale
- Contracts bid prior to April 1, 2019, are exempt from the rate increase

Westhope

At the present time, the City of Westhope has a 1 percent city sales, use, and gross receipts tax in place. Effective April 1, 2019, the City of Westhope has adopted an ordinance to increase its city sales, use, and gross receipts tax by 1 percent. The tax rate for Westhope starting April 1, 2019, will be 2 percent. No other changes were made to the ordinance. The following applies:

- Maximum tax (refund cap) remains at \$25/sale
- Contracts bid prior to April 1, 2019, are exempt from the rate increase

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.

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