



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

At the present time, the City of Hillsboro has a 2% city sales, use, and gross receipts tax. Effective July 1, 2021, the City of Hillsboro has adopted an ordinance to increase its city sales, use, and gross receipts tax by .5%. The tax rate for Hillsboro starting July 1, 2021, will be 2.5%. The following applies:

- No additional exemptions other than those provided by the state
- Maximum Tax (refund cap) increases to \$75/sale

The Office of State Tax Commissioner has contracted with the City of Hillsboro 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 tax guideline is [available on our website](#).

Effective July 1, 2021, the combined state and city rates within the city limits of Hillsboro will be as follows:

- General sales and use tax: 7.5% (5% state + 2.5% city)
- New farm machinery: 5.5% (3% state + 2.5% city)
- New farm irrigation equipment: 5.5% (3% state + 2.5% city)
- New manufactured homes: 5.5% (3% state + 2.5% city)
- Lodging:
  - Hotel, Motel and Tourist Court Accommodations, and Bed & Breakfast Accommodations licensed under North Dakota Century Code Ch. 13-09.1:
    - 7.5% (5% state + 2.5% city)
- Restaurants, concession stands and mobile food trucks (sale of food and non-alcoholic beverages):
  - 7.5% (5% state + 2.5% city)
- Alcoholic Beverages:
  - Off-sale alcoholic beverages: 9.5% (7% state + 2.5% city)
  - On-sale alcoholic beverages: 9.5% (7% state + 2.5% city)

Questions concerning the Hillsboro city sales, use and gross receipts tax may be directed to the Office of State Tax Commissioner. To receive notification of the quarterly updates automatically, please subscribe to our Email Subscription update list <http://bit.ly/NDTaxUpdate>. 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, Sales Tax Compliance Section, 600 E. Boulevard Ave., Dept. 127, Bismarck, ND 58505-0599.