



## Local Tax Changes Effective October 1, 2025

The following local tax changes will be effective October 1, 2025. For additional information on our local taxes, please visit [www.tax.nd.gov/LocalTaxRate](http://www.tax.nd.gov/LocalTaxRate).

### **Casselton**

At the present time, the City of Casselton has a maximum tax (refund cap) of \$25.00 per sale. Effective October 1, 2025, the City of Casselton has adopted an ordinance to increase the maximum tax to \$50.00 per sale. There are no changes to the City of Casselton's sales, use and gross tax rate of 2%. Additional information regarding the City of Casselton's local tax is listed below:

- No exemptions other than those allowed through the state.
- Limited exemption for contractors does not apply.
- Tax imposed applies to contract bids submitted on or after effective date.

### **Colfax**

The City of Colfax will impose a city sales, use, and gross receipts tax of 2% effective October 1, 2025. The following applies:

- The local code is 251.
- No additional exemptions other than those provided by the state.
- No maximum tax (refund cap).
- Limited exemption for contractors does not apply.
- Tax imposed applies to contract bids submitted on or after effective date

### **Rugby**

At the present time, the City of Rugby has a maximum tax (refund cap) of \$25.00 per sale. Effective October 1, 2025, the City of Rugby has adopted an ordinance to remove the maximum tax. There are no changes to the City of Rugby's sales, use and gross tax rate of 2%. Additional information regarding the City of Rugby's local tax is listed below:

- New Farm Machinery is exempt.
- Limited exemption for contractors does not apply.
- Vendor compensation of 3% of the local tax due, with a maximum of \$50.00 per month or \$150.00 per quarter.
- Tax imposed applies to contract bids submitted on or after effective date.

### **Wahpeton**

At the present time, the City of Wahpeton has a 2% sales, use, and gross receipts tax. Effective October 1, 2025, the City of Wahpeton has adopted an ordinance to increase its city sales, use, and gross receipts tax by 1%. The tax rate for Wahpeton starting October 1, 2025, will be 3%. The following applies:

- Maximum tax (refund cap) of \$75.00/sale.
- No vendor compensation for permit holders.
- Limited exemption for contractors does apply.
- Tax imposed applies to contract bids submitted on or after effective date.
- New Farm Machinery is exempt.

### **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 North Dakota Office of State 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 Taxes by Location Guideline, is available on our website at **[www.tax.nd.gov/LocalTaxes](http://www.tax.nd.gov/LocalTaxes)**. Rate charts are also available via email at **[salestax@nd.gov](mailto:salestax@nd.gov)**. To receive notification of the quarterly updates automatically, please subscribe to our email subscription list at **[www.tax.nd.gov/EmailSignup](http://www.tax.nd.gov/EmailSignup)**. You may also contact the Sales Tax Compliance Section at 701-328-1246 or by email at **[salestax@nd.gov](mailto:salestax@nd.gov)**.

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