



City of Rugby Sales, Use & Gross Receipts Tax Maximum Tax Removal

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.

The North Dakota Office of State Tax Commissioner has contracted with the City of Rugby to administer the city sales, use, and gross receipts tax. Tax is computed by multiplying the taxable purchase amount by the tax rate and carrying the product to the third decimal place. If the third decimal place is five or greater, round up; if it is four or less, round down. A local tax guideline is available at www.tax.nd.gov/guidelines.

Effective October 1, 2025, the combined state and city rates within the city limits of Rugby will be as follows:

- General sales and use tax: 7% (5% state + 2% city).
- New farm machinery and farm irrigation equipment: 3% (3% state only).
- New manufactured homes: 5% (3% state + 2% city).
- Lodging:
 - Hotel, motel, and tourist court accommodations and bed & breakfast accommodations licensed under North Dakota Century Code Ch. 13-09.1:
 - 10% (5% state + 2% city + 2% local lodging tax + 1% local lodging and restaurant tax).
- Restaurants, concession stands, and mobile food trucks (sale of food and non-alcoholic beverages):
 - 8% (5% state + 2% city + 1% local lodging and restaurant tax)
- Alcoholic beverages:
 - Off-sale alcoholic beverages: 9% (7% state + 2% city).
 - On-sale alcoholic beverages: 10% (7% state + 2% city + 1% local lodging and restaurant tax).

Questions concerning the Rugby 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 list at www.tax.nd.gov/EmailSignup. 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, Sales Tax Compliance Section, 600 E. Boulevard Ave., Dept. 127, Bismarck, ND 58505-0599.