



STATE OF NORTH DAKOTA
OFFICE OF STATE TAX COMMISSIONER
Ryan Rauschenberger, Commissioner

October 20, 2014

Ms. Joan Zimmerman
Washburn City Auditor
PO Box 467
Washburn ND 58577-0467

Re: Washburn Sales, Use, and Gross Receipts Tax

Dear Ms. Zimmerman:

Enclosed is a copy of the memorandum we prepared to notify sales tax permit holders of the elimination of the \$25 per sale maximum tax (refund cap) which goes into effect January 1, 2015. The memorandum will be mailed October 31, 2014 to permit holders conducting business in Washburn. Detailed information of this change is also available on our web site at: <http://www.nd.gov/tax/salesanduse/streamlinetax/ratechange.html>

If you or the permit holders have any questions regarding the Washburn tax information, please call me at (701) 328-3389.

Sincerely,

A handwritten signature in cursive script that reads "Susan Rood".

Susan Rood
Compliance Officer
Sales and Special Taxes
srood@nd.gov

Enclosure



STATE OF NORTH DAKOTA
OFFICE OF STATE TAX COMMISSIONER
Ryan Rauschenberger, Commissioner

To: North Dakota Sales, Use, and Gross Receipts Tax Permit Holders

Subject: Local Tax Changes Effective January 1, 2015

Date: October 31, 2014

The following summarizes the local option tax changes effective January 1, 2015. Information will be mailed to permit holders located within the city and county where the change will occur.

Beulah

The city of Beulah will increase its city sales, use, and gross receipts tax by one percent (1%).

The tax rate for Beulah starting January 1, 2015 will be two percent (2%).

- Maximum Tax (Refund Cap) remains at \$25/sale
 - Permit holder compensation remains at 3% with maximum of \$50/month or \$150/quarter
- (For additional information:

<http://www.nd.gov/tax/salesanduse/streamlinetax/ratechange.html>)

Fredonia

The city of Fredonia will impose a city sales, use, and gross receipts tax of two percent (2%) effective January 1, 2015. The following gives a brief synopsis of the newly imposed tax:

- Will be reported under local tax code 235
- No maximum tax included
- No additional exemptions other than allowed by state law
- Exempts contracts bid prior to effective date
- No limited exemption for contractors (see the Local Option Taxes by Location guideline for information on this limited exemption: (<http://www.nd.gov/tax/salesanduse/pubs/guide/gl-21847.pdf>))
- No permit compensation included

(For additional information:

<http://www.nd.gov/tax/salesanduse/streamlinetax/ratechange.html>)

Harvey

The city of Harvey will increase its city sales, use, and gross receipts tax by one percent (1%).

The tax rate for Harvey starting January 1, 2015 will be two percent (2%).

- Maximum Tax (Refund Cap) will be \$50/sale
 - Permit holder compensation remains at 3% with maximum of \$83.33/month or \$250/quarter
- (For additional information:

<http://www.nd.gov/tax/salesanduse/streamlinetax/ratechange.html>)

Hazelton

The city of Hazelton will increase its city sales, use, and gross receipts tax by one percent (1%).

The tax rate for Hazelton starting January 1, 2015 will be two percent (2%).

- Maximum Tax (Refund Cap) remains at \$35/sale
 - Permit holder compensation remains at 3% with maximum of \$50/month or \$150/quarter
- (For additional information:

<http://www.nd.gov/tax/salesanduse/streamlinetax/ratechange.html>)

Lignite

The city of Lignite will impose a city sales, use, and gross receipts tax of two percent (2%) effective January 1, 2015. The following gives a brief synopsis of the newly imposed tax:

- Will be reported under local tax code 236
- No maximum tax included
- No permit compensation included
- No additional exemptions other than allowed by state tax law

- Includes limited liability exemption for contractors (see the Local Option Taxes by Location guideline for information on this limited exemption: <http://www.nd.gov/tax/salesanduse/pubs/guide/gl-21847.pdf>)
- Exempts contracts bid prior to effective date
(For additional information:
<http://www.nd.gov/tax/salesanduse/streamlinetax/ratechange.html>)

Minot

The city of Minot currently has a 2% city sales, use, and gross receipts tax with no Maximum Tax. The tax rate for Minot starting January 1, 2015 will remain at 2%, but the Maximum Tax (Refund Cap) will be \$100.00 per sale. No other changes were made to the ordinance.

(For additional information:
<http://www.nd.gov/tax/salesanduse/streamlinetax/ratechange.html>)

Stanley

The city of Stanley currently has a one and one-half percent (1-1/2%) city sales, use, and gross receipts tax in place. Effective December 31, 2014, one percent (1%) will sunset. The city of Stanley has adopted an ordinance to continue the 1-1/2% city sales, use and gross receipts tax effective January 1, 2015. This new ordinance continues the local tax at one and one-half percent (1-1/2%) with no additional changes.

(For additional information:
<http://www.nd.gov/tax/salesanduse/streamlinetax/ratechange.html>)

Velva

The city of Velva will increase its city sales, use, and gross receipts tax by one percent (1%). The tax rate for Velva starting January 1, 2015 will be two percent (2%).

- Maximum Tax (Refund Cap) remains at \$25/sale
- Exempts new farm machinery, new farm irrigation equipment, and coin-operated vending sales of \$.99 or less
- Exempts contracts bid prior to effective date

(For additional information:
<http://www.nd.gov/tax/salesanduse/streamlinetax/ratechange.html>)

Washburn

The city of Washburn currently has a 2% city sales, use, and gross receipts tax with a Maximum Tax of \$25 per sale. The tax rate for Washburn starting January 1, 2015 will remain at 2%, but the Maximum Tax (Refund Cap) will be eliminated. No other changes were made to the ordinance.

(For additional information:
<http://www.nd.gov/tax/salesanduse/streamlinetax/ratechange.html>)

Wimbledon

The city of Wimbledon currently has a one percent (1%) city sales, use, and gross receipts tax in place. Effective December 31, 2014, this one percent (1%) will sunset. The city of Wimbledon has adopted an ordinance to continue the 1% city sales, use and gross receipts tax effective January 1, 2015. This new ordinance continues the local tax at one percent (1%).

- Maximum Tax (Refund Cap) remains at \$25/sale
- Includes limited liability exemption for contractors (see the Local Option Taxes by Location guideline for information on this limited exemption: <http://www.nd.gov/tax/salesanduse/pubs/guide/gl-21847.pdf>)

(For additional information:
<http://www.nd.gov/tax/salesanduse/streamlinetax/ratechange.html>)

Maximum Tax (Refund Cap)

The maximum tax is the amount of tax that could 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 web site at www.nd.gov/tax. Rate charts are also available on our web site. You may also contact the Tax Compliance Section at 701.328.1246 or by e-mail at salestax@nd.gov.