



STATE OF NORTH DAKOTA
OFFICE OF STATE TAX COMMISSIONER
RYAN RAUSCHENBERGER, COMMISSIONER

May 1, 2021

Ref: L2010840832

DAVID LAKEFIELD
MINOT FINANCE DIRECTOR
515 2ND AVE SW
MINOT ND 58701-3739

Dear David Lakefield:

Enclosed are two copies of a contract authorizing the Office of State Tax Commissioner to administer the City of Minot's local sales, use and gross receipts taxes for the 2021 - 2023 biennium.

The administration fee for this contract will be the lesser of \$35 per permit per year, or 3 percent of the tax collected. Based on the current number of retail businesses with sales, use and gross receipts tax permits for the City of Minot and the past two years history of sales and purchases, the administration fee for the City of Minot is listed in the enclosed contract. The administration fee will be withheld from the monthly tax collections received in this office.

The financial needs facing North Dakota cities continue to change each year and so do the challenges of finding revenue sources to fund these areas. It is important for your city to ensure that all possible city tax collections are received. One way is to provide this office with timely notice of all property annexations. Once notification is received, we notify the businesses affected by the annexation of their local tax collection responsibility. The attached contract requires at least a ninety day notice when property has been annexed into the incorporated boundary of a city.

Please sign the enclosed contracts and return one signed copy to the Office of State Tax Commissioner by May 31, 2021. If you have any questions about the contract or administration of your city's sales, use and gross receipts tax, please contact Erica Lien in our Sales and Special Taxes Division at (701) 328-3464.

I appreciate the strong working relationship we have developed with North Dakota's cities and counties. If our office can be of assistance to you in any way, please let us know.

Sincerely,

Ryan Rauschenberger
Tax Commissioner

Enc.



Ref: L2010840832
ID: 45-6002126

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Contract For Collection of City Sales, Use and Gross Receipts Taxes

This contract is entered into by the Tax Commissioner of the State of North Dakota and the governing body of the City of Minot, North Dakota through the Minot City Auditor, under the provisions of North Dakota Century Code § 57-01-02.1.

This contract provides for services to be furnished, as follows:

1. The Office of State Tax Commissioner (Tax Commissioner) hereby assumes the responsibility of administering Ordinance 4703, 4380 of the Minot Municipal Code of Ordinances (Ordinance). The administration by the Tax Commissioner must be carried out in accordance with the relevant provisions of North Dakota Century Code Chapter 57-39.2, including reporting and paying requirements, correction of errors, payment of refunds, and application of penalty and interest.
2. The Tax Commissioner will notify the appropriate permit holders of their collection and remission responsibilities imposed by the Ordinance.
3. The Tax Commissioner shall design tax reporting forms which will be made available to the appropriate permit holders prior to the filing due dates.
4. The Tax Commissioner shall make available the proper rate chart(s) to the appropriate permit holders for use in computation of the state and city taxes.
5. The Tax Commissioner shall collect the tax imposed by the Ordinance on a monthly, quarterly or other periodic basis deemed necessary by the Tax Commissioner.
6. The Tax Commissioner assumes the responsibility for collection of any civil penalties due or criminal prosecution required under the Ordinance to the extent not in conflict with state law.
7. The Tax Commissioner shall certify on a monthly basis to the North Dakota State Treasurer the amount of tax payable to the City of Minot.
8. Per N.D.C.C §57-01-02.1(5), the retailer has the option to apply the total local tax at the time of purchase or apply only the discounted maximum tax. The Tax Commissioner shall refund to purchasers the difference between the amount of sales, use, or gross receipts tax paid and the amount that would have been due by application of the maximum tax or threshold provided by the city's ordinance or home rule charter.
9. At the Tax Commissioner's discretion, the Tax Commissioner shall audit the appropriate permit holders.

The City of Minot has the following responsibilities under this contract:


1. The city's Ordinance shall conform in all respects with regard to the taxable or exempt status of sales under chapters 57-39.2, 57-39.4, 57-39.5, 57-39.6, and 57-40.2.
2. The city's Ordinance shall provide for only one local tax rate; therefore, all sales, use, and gross receipts taxes will be imposed at the same rate.
3. Tax rate changes shall be effective on the first day of a calendar quarter and after ninety days notice which must be provided to the Tax Commissioner after final approval of the tax ordinance.
4. The City of Minot shall provide the Tax Commissioner information about all boundary changes, which shall include all business addresses and zip codes within the changed area. For purposes of local sales, use and gross receipts taxes, boundary changes shall be effective on the first day of a calendar quarter and after ninety days notice which must be provided to the Tax Commissioner after final approval of the boundary change.
5. The City of Minot shall provide notice to the Tax Commissioner on the continuation or termination of the local tax at least ninety days prior to the date the tax imposed by the ordinance is continued or terminated.

In consideration for the above-enumerated services for the period July 1, 2021 through June 30, 2023, the Tax Commissioner shall retain \$4,013.00 per month of the tax collected under the Ordinance.

This agreement, which supersedes any prior written or oral agreements between the parties, is effective upon the signature by the Minot City Auditor, acting on behalf of the City of Minot, and the Tax Commissioner for the State of North Dakota, and shall be effective July 1, 2021 through June 30, 2023.

This agreement shall be subject to renegotiation for the purpose of renewal July 01, 2023.

Dated the 1st day of May 2021, at Bismarck, North Dakota.


Ryan Rauschenberger
Tax Commissioner

Dated the _____ day of _____, 2021 at _____, North Dakota.

David Lakefield
Minot City Auditor
Email: _____