



TO: Mayor Shaun Sipma
Members of the City Council

FROM: David Lakefield, Finance Director

DATE: May 17, 2021

**SUBJECT: APPROVAL OF CONTRACT WITH ND OFFICE OF STATE TAX
COMMISSIONER FOR COLLECTION OF CITY SALES TAX**

I. RECOMMENDED ACTION

Approve the contract with the State Tax Commissioner for the collection of City sales tax for the period July 1, 2021-June 30, 2023 and authorize the Finance Director to sign the contract.

II. DEPARTMENT CONTACT PERSONS

David Lakefield 857-4774

III. DESCRIPTION

A. Background

The City of Minot currently contracts with the ND State Tax Commissioner to collect City of Minot sales tax. The current contract expires on June 30, 2021 and the proposed renewal is for the period of July 1, 2021 through June 30, 2023

B. Proposed Project

Approval of the Services Agreement with ND Office of State Tax Commissioner will ensure sales tax collections continue without disruption.

C. Consultant Selection

N/A

IV. IMPACT:

A. Strategic Impact:

This agreement will extend the contract with the State Tax Commissioner through June 30, 2023. It is impractical and inefficient for the City to undertake this effort.

B. Service/Delivery Impact:

This agreement provides for the continuation of services provided by State Tax Commissioner's Office.

C. Fiscal Impact:

The cost of the collection is deducted from the sales tax collections and is already included in the current budget and will be included in future budgets.

V. ALTERNATIVES

A. Finance could increase staff to handle this task internally. This would require at least one FTE to manage the permit holders, new applications, monthly reporting, collection and auditing. Adding the additional staff is cost prohibitive.

VI. TIME CONSTRAINTS

VII. LIST OF ATTACHMENTS

A. Executed Contract for Collection of City Sales, Use and Gross Receipts Taxes