

CHAPTER EIGHTEEN

SALES, USE, AND GROSS RECEIPTS TAX

An ordinance to establish and regulate a city sales, use, and gross receipts tax under the home rule charter of the City of Alexander, North Dakota, Be it ordained by the city council of the City of Alexander, Mckenzie County, North Dakota:

ARTICLE 1 – Sales, Use, and Gross Receipts Tax

- 18.0101 Definitions
- 18.0102 Collection and Administration
- 18.0103 Sales Tax Imposed
- 18.0104 Use Tax Imposed
- 18.0105 Gross Receipts of Alcoholic Beverages
- 18.0106 Receipts of New Farm Machinery and New Farm Irrigation Equipment
- 18.0107 Exemptions
- 18.0108 Contract with Tax Commissioner
- 18.0109 Dedication of Tax Proceeds
- 18.0110 Effective Date

## ARTICLE 1 · Sales, Use, and Gross Receipts Tax

### 18.0101 Definitions

All terms defined in chapters 40-05.1, 57-39.2, 57-39.4, 57-39.5, 57-39.6, and 57-40.2 of the North Dakota Century Code (N.D.C.C.), including any future amendments, are adopted by reference. All references to the N.D.C.C. include amendments adopted by the North Dakota Legislative Assembly.

### 18.0102 Collection and Administration

Where not in conflict with the provisions of this Ordinance, the provisions of N.D.C.C. chapters 40-05.1, 57-39.2, 57-39.4, 57-39.5, 57-39.6, and 57-40.2, and all administrative rules adopted by the Tax Commissioner, pertaining to the collection and administration of the retail sales, use, and gross receipts tax, including provisions for liability, refund, penalty, interest or credit, govern the administration by the North Dakota Office of State Tax Commissioner (hereinafter "Tax Commissioner") of the taxes imposed by this Ordinance.

### 18.0103 Sales Tax Imposed

Subject to the provisions of N.D.C.C. § 40-05.1-06, and except as otherwise provided by this Ordinance, or the sales and use tax laws of the State of North Dakota, a tax of two percent (2%) is imposed upon the gross receipts of retailers from all sales at retail, including the leasing or renting of tangible personal property, within the corporate limits of the city of Alexander, North Dakota.

### 18.0104 Use Tax Imposed

Subject to the provisions of N.D.C.C. § 40-05.1-06, and except as otherwise provided in this Ordinance, or the sales and use tax laws of the State of North Dakota, an excise tax is imposed upon the storage, use, or consumption within the corporate limits of the city of Alexander, North Dakota of tangible personal property purchased at retail for storage, use, or consumption in this city, at the rate of two percent (2%) of the purchase price of the property. An excise tax is imposed on the storage, use, or consumption within the corporate limits of the City of Alexander, North Dakota of tangible personal property not originally purchased for storage, use, or consumption in this city at the rate of two percent (2%) of the fair market value of the property at the time it was brought into this city.

With respect to the purchase price of tangible personal property used by a contractor or subcontractor to fulfill a contract as defined in N.D.C.C. § 57-40.2-03.3, the tax imposed by this section applies only to bids submitted on or after the effective date of this Ordinance.

### 18.0105 Gross Receipts of Alcoholic Beverages

Subject to the provisions of N.D.C.C. § 40-05.1-06, and except as otherwise provided in this Ordinance, a gross receipts tax of two percent (2%) is imposed upon all gross receipts from the sale of alcoholic beverages within the city. A person who receives alcoholic beverages for storage, use, or consumption in this state is subject to tax on storage, use, or consumption of those alcoholic beverages at the rate of two percent (2%).

### 18.0106 Receipts of New Farm Machinery and New Farm Irrigation Equipment

Subject to the provisions of N.D.C.C. § 40-05.1-06, and except as otherwise provided in this Ordinance, a gross receipts tax of two percent (2%) is imposed upon all gross receipts from the sale of new farm machinery and new farm irrigation equipment within the city. A person who receives new farm machinery or new farm irrigation equipment for storage, use, or consumption in this state is subject to tax on storage, use, or consumption of that machinery and/or equipment at the rate of two percent (2%).

### 18.0107 Exemptions

This Ordinance does not provide for any additional exemptions from imposition and computation of the city sales and use tax other than those provided by state law.

Sales to contractors that are exempt pursuant to subsection 15 of N.D.C.C. § 57-39.2-04 shall be exempt from any city sales tax, but contractors shall be subject to the city use tax on those items used within the city that would be taxed pursuant to N.D.C.C. § 57-40.2-03.3 on which the city sales tax has not previously been paid.

18.0108 Contract with Tax Commissioner

Alexander City Auditor is hereby authorized to contract with the Tax Commissioner for administration and collection of taxes imposed by this Ordinance. The City Auditor has all powers granted to the Tax Commissioner and in the absence of a valid contract with the Tax Commissioner or failure of the Tax Commissioner to perform the delegated duties, shall perform these duties in place of the Tax Commissioner.

18.0109 Dedication of Tax Proceeds

The proceeds from the sales, gross receipts and use taxes imposed by this chapter shall be used in the following manner:

All revenues raised and collected at one and one-half percent (1 1/2%) under this Ordinance, less administrative expenses shall be dedicated only to an Infrastructure Fund. All revenue shall be maintained in the fund, to be known as the Alexander Infrastructure Fund, separate and apart from all other funds, except as provided by this section.

The revenue contained in such fund shall be used for municipal projects, improvements, maintenance and repairs. Proposed projects may include general infrastructure development and improvements, including water system, waste water system, curbs, gutters, streets, utilities, and other projects, improvements, maintenance and repairs that will enhance municipal services. The proceeds collected pursuant to such tax may be used to make direct payments of cost for the above purposes, or may be pledged to amortize bonds or other debt instruments which may be sold to finance such costs.

All revenues raised and collected at one-half percent (1/2%) under this Ordinance, less administrative expenses shall be dedicated only to a Law Enforcement Fund. All revenue shall be maintained in the fund, to be known as the Alexander Law Enforcement Fund, separate and apart from all other funds, except as provided by this section.

18.0110 Effective Date

This Ordinance shall take effect after its passage, approval, and publication, but not prior to January 1st, 2016.

First Reading: July 1st, 2015  
Second Reading: August 5th, 2015  
Final Passage: August 5th, 2015

