



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

July 28, 2015

Mr. Craig Johnson, Executive Director
Streamlined Sales Tax Governing Board, Inc.
100 Majestic Drive, Suite 400
Westby, WI 54667-2003

Re: North Dakota 2015 Compliance Recertification

Dear Mr. Johnson:

As Tax Commissioner, I recertify that North Dakota remains in compliance with the Streamlined Sales and Use Tax Agreement as of August 1, 2015. As part of the recertification process, the Tax Commissioner's Office has reviewed and updated its Taxability Matrix and Certificate of Compliance to accurately reflect our current tax law and administrative policies. On July 28, 2015, both documents were approved by our office for publishing to the Governing Board website. The Taxability Matrix and Certificate of Compliance are true, correct, and complete to the best of my knowledge and belief.

Numerous changes were made to North Dakota's sales and use tax laws during the 2015 legislative session. All bills impacting sales and use taxes are summarized in the attached schedule. House Bill 1406 adopted the prepared food exclusion for food that requires additional cooking. In addition, HB 1406 adopted changes to Agreement Section 328 and Section 335 regarding the taxability matrix and best practices. These amendments were adopted by the Governing board in October, 2013. Further amendments to these sections were adopted by the Governing Board in May, 2015, after the North Dakota legislative session adjourned. The May, 2015, amendments to Sections 328 and 335 will be considered for legislation in 2017, which will be North Dakota's next legislative session.

The Tax Commissioner's Office has not promulgated any administrative sales tax rules since the 2014 recertification process at which time the Governing Board confirmed North Dakota's compliance with the Streamlined Sales and Use Tax Agreement.

If you have any questions regarding North Dakota's compliance or our 2015 legislation, please contact Myles Vosberg, Director of Tax Administration.

Sincerely,

Ryan Rauschenberger
Tax Commissioner

2015 North Dakota Legislative Session

Summary of Sales and Use Tax Bills Approved

- HB 1060 Authorizes the Tax Commissioner to provide information to the Department of Commerce for purposes of evaluating economic development programs. The information may not be disclosed to the public except in an aggregate format that will not permit identification of individual taxpayers.
- HB 1089 Creates new sales tax exemption for qualified data centers.
- HB 1110 Requires a retailer to disclose to customers if it paid sales or use tax on the purchase of lease or rental property rather than collecting tax on lease or rental payments.
- HB 1133 Technical corrections bill. Section 9 clarifies that credit is provided for tax paid in another state if tax was legally due and paid in the other state.
- HB 1319 Clarifies sales tax exemption for admissions to higher education events.
- HB 1406 Maintains compliance with Streamlined Sales and Use Tax Agreement and authorizes sales tax administration agreement with Standing Rock Sioux Indian Tribe.
- SB 2035 Creates new sales tax exemption for fertilizer and chemical processing plants.
- SB 2036 Maintains sales tax exemption for beneficiated coal that would have expired 6/30/15.
- SB 2037 Expanding existing sales tax exemption for new coal mines.
- SB 2094 Clarifies sales tax exemption for molds used in manufacturing.
- SB 2096 Creates sales tax exemption on internet access charges effective July 1, 2017.
- SB 2115 Authorizes Tax Commissioner to allow sales tax compensation for late filed returns if taxpayer shows good cause for the delay.
- SB 2318 Creates new sales tax exemption for compressing, gathering, collecting, storing, transporting and injecting CO2 used in enhanced recovery of oil and gas production.