



Finance Department

DATE: 6/21/2021
FROM: Dmitriy Chernyak, Finance Director
ITEM: State of ND Contract

REQUEST:

Consider the request for approval to sign a contract authorizing the State of North Dakota's Office of the State Tax Commission to administer the City of Bismarck's local sales, use and gross receipts taxes for the 2021-2023 biennium.

Please place this item on the June 22, 2021 City Commission meeting agenda.

BACKGROUND INFORMATION:

The Office of the State Tax Commissioner assumes the responsibility of administering Ordinance 6354 of the Bismarck Municipal Code of Ordinances. The administration by the Tax Commissioner is carried out in accordance with the relevant provisions of the NDCC Chapter 57-39.2, including reporting and paying requirements, correction of errors, payment of refunds, and application of penalty and interest.

RECOMMENDED CITY COMMISSION ACTION:

Staff recommends approval of the contract with the Office of the State Tax Commissioner.

STAFF CONTACT INFORMATION:

Dmitriy Chernyak | Finance Director, 355-1600 or dchernyak@bismarcknd.gov



Ref: L1076854528

ID: 45-6002036

(063)



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 Bismarck, North Dakota through the Bismarck 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 6354 of the Bismarck 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 Bismarck.
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.



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