

CITY OF POWERS LAKE CHAPTER NINETEEN

SALES AND USE TAX

ARTICLE 1 – Sales and Use Tax Pursuant to Home Rule Charter

- 19.0101 Definitions
- 19.0102 Sales Tax Imposed
- 19.0103 Use Tax Imposed
- 19.0104 Exemptions
- 19.0105 Maximum Tax Imposed
- 19.0106 Contract with State Tax Commissioner
- 19.0107 Collection and Administration
- 19.0108 Corporate Officer Liability
- 19.0109 Dedication of Tax Proceeds
- 19.0110 Termination
- 19.0111 Option for Continuation
- 19.0112 Saving Clause
- 19.0113 Compensation
- 19.0114 Effective Date

CHAPTER NINETEEN

SALES AND USE TAX

ARTICLE 1 - Sales and Use Tax Pursuant to Home Rule Charter

19.0101 Definitions

All terms as defined in Chapters 57-39.2 and 57-40.2 N.D.C.C., including any future amendments, are adopted by reference. All references to the North Dakota Century Code include amendments adopted by the Legislature of the State of North Dakota.

19.0102 Sales Tax Imposed

Except as otherwise provided in this chapter, a tax of one percent (1%) is imposed upon the gross receipts of retailers from all retail sales within the corporate limits of the City of Powers Lake, North Dakota. Such sales tax shall parallel the State of North Dakota sales and use tax law. All of the exemptions applicable for state sales and use tax apply to the Powers Lake sales and use tax including exemptions for tax exempt entities (schools, counties, state agencies, etc.). Such sales tax shall be applied to the following:

1. Tangible personal property, consisting of goods, wares or merchandise.
2. Communications services.
3. Gross receipts from the sale of tangible personal property costing sixteen cents (\$0.16) or more sold through a coin-operated vending machine.
4. Magazines and other periodicals.
5. The leasing or renting of a hotel or motel room or tourist court of accommodations.
6. The leasing or renting of tangible personal property, the transfer of title to which has not been subjected to a retail sales tax under this chapter.
7. Sales of alcoholic beverages and tobacco products as defined in Section 57-39.2-03.2 N.D.C.C.

19.0103 Use Tax Imposed

Except otherwise provided in this chapter, a use tax of one percent (1%) is imposed on the storage, use or consumption in the City of Powers Lake on:

1. The purchase price of tangible personal property purchased at retail for storage, use or consumption within the City.
2. The fair market value of tangible personal property which was not originally purchased for storage, use or consumption in the City, at the time which it is brought into this City.
3. Alcoholic beverages and tobacco products which are stored, used or consumed in this City, as provided in Section 57-39.2-03.2 N.D.C.C.
4. The purchase price of tangible personal property used by a contractor or subcontractor to fulfill a contract as defined in Section 57-40.2-03.3 N.D.C.C. This tax applies only to bids awarded on or after December 9, 1996.

19.0104 Exemptions

All sales, storage, use or consumption of tangible personal property which are exempt from imposition and consumption of the sales or use tax of the State of North Dakota are specifically exempt from the provisions of this article. In addition to the exemptions provided by state law, the Powers Lake tax ordinance provides exemptions for sales of gross receipts from the sales of farm machinery, farm machinery repair parts and natural gas.

19.0105 Maximum Tax Imposed

No single transaction involving one or more items is subject to a tax in excess of twenty-five (\$25.00) dollars.

19.0106 Contract with State Tax Commissioner

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

19.0107 Collection and Administration

The Tax Commissioner and City Auditor for the City of Powers Lake shall have the powers enumerated in the provisions of Chapter 57-39.2 N.D.C.C. and Chapter 57-40.2 N.D.C.C. relating to the collection and administration of the state sales and use tax, including all administrative rules of the state sales and use tax, including all administrative rules adopted by the Tax Commissioner. The Tax Commissioner is authorized to establish rates tables integrating the tax imposed by this chapter with other state, county and city taxes.

19.0108 Corporate Officer Liability

Officers of any corporation required to remit taxes imposed by this article are personally liable for the failure of the corporation to file required returns or remit required payments. The dissolution of a corporation shall not discharge an officer's liability for a prior failure of the corporation to make a return or remit the tax due. The tax, penalty and interest due may be assessed and collected pursuant to the provisions adopted by this ordinance.

19.0109 Dedication of Tax Proceeds

All revenue raised and collected under this ordinance shall be dedicated to business retention, expansion or recruitment, property tax relief, recreation, parks and community improvements in the following manner:

New home property tax relief and municipal improvements	25%
Parks and recreational improvements	10%
Economic Development	65%

All revenue shall be maintained in the fund to be known as "The Powers Lake Fund" separate and apart from all other funds.

19.0110 Termination

The tax imposed herein shall terminate on January 1, 2033.

19.0111 Option for Continuation

Ninety (90) days prior to the termination of the sales and use tax, the City Commission will assess the need for continuation. If determined that continuation would be beneficial to the City, the appropriate legal steps will be followed to extend sales and use tax collections.

19.0112 Saving Clause

Should any section, paragraph, sentence, clause or phrase of this ordinance be declared unconstitutional, or invalid for any reason, the remainder of this ordinance shall not be affected thereby.

19.0113 Compensation

City sales and use tax permit holders are allowed to retain a portion of their city tax collections or use tax obligation to help recover administrative expenses. This compensation shall equal three percent (3%) of the city sales and use tax due, however the deduction is limited to \$83.33 per month or \$250 per quarter. A tax return must be filed and paid in full by the scheduled due date or the compensation will be disallowed and the tax obligation will be subject to penalty and interest.

19.0114 Effective Date

This ordinance shall take effect and be in force from and after final passage, and due publication according to law. The tax will be implemented on April 1, 1997. First reading November 5, 1996 and seconded reading and finalized on December 9, 1996.