

HOUSE BILL NO. 1150

Introduced by

Representatives Dockter, Boehning, Schmidt, Seibel

Senators Cook, Poolman, Schaible

1 A BILL for an Act to amend and reenact sections 57-39.5-02, 57-39.6-02, and subsection 1 of
2 section 57-40.6-14 of the North Dakota Century Code, relating to elimination of the sales tax
3 exemption for purchases by residents of an adjoining state that does not impose a retail sales
4 tax; to repeal subsection 12 of section 57-39.2-04 of the North Dakota Century Code, relating to
5 elimination of the sales tax exemption for purchases by residents of an adjoining state that does
6 not impose a retail sales tax; and to provide an effective date.

7 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

8 **SECTION 1. AMENDMENT.** Section 57-39.5-02 of the North Dakota Century Code is
9 amended and reenacted as follows:

10 **57-39.5-02. Imposition - Exemptions.**

11 There is imposed a tax of three percent upon the gross receipts of retailers from all sales at
12 retail, including the leasing or renting, of farm machinery or irrigation equipment used
13 exclusively for agricultural purposes. Gross receipts from sales at retail of farm machinery or
14 irrigation equipment are exempted from the tax imposed by this chapter when the sale, lease, or
15 rental is made to a purchaser or lessor who is entitled to a sales and use tax exemption under
16 subsection 6 ~~or~~ 12 of section 57-39.2-04 on otherwise taxable sales at retail. There are
17 specifically exempted from the tax imposed by this chapter the gross receipts from the sale,
18 lease, or rental of used farm machinery, farm machinery repair parts, used irrigation equipment,
19 or irrigation equipment repair parts used exclusively for agricultural purposes. For purposes of
20 this section, "used" means:

- 21 1. Tax under this chapter or chapter 57-39.2 or 57-40.2 has been paid on a previous
22 sale;
- 23 2. Tax under section 57-39.5-06 has been paid under a previous lease;
- 24 3. Originally purchased outside this state and previously owned by a farmer; or

1 4. Has been under rental for three years or more.

2 **SECTION 2. AMENDMENT.** Section 57-39.6-02 of the North Dakota Century Code is
3 amended and reenacted as follows:

4 **57-39.6-02. Gross receipts tax on alcoholic beverages - Exemption.**

5 There is imposed a tax of seven percent on the gross receipts of retailers from all sales at
6 retail of alcoholic beverages. Gross receipts from sales at retail of alcoholic beverages are
7 exempted from the tax imposed by this chapter when the sale is made to a purchaser who is
8 entitled to a sales and use tax exemption under subsection 6 ~~or 12~~ of section 57-39.2-04 on
9 otherwise taxable sales.

10 **SECTION 3. AMENDMENT.** Subsection 1 of section 57-40.6-14 of the North Dakota
11 Century Code is amended and reenacted as follows:

- 12 1. There is imposed a prepaid wireless emergency 911 fee of two percent on the gross
13 receipts of sellers from all sales at retail of prepaid wireless services in this state.
- 14 a. A retail transaction that is made, in person, by a consumer at a business location
15 of the seller shall be treated as occurring in this state if that business location is
16 in this state. Any other retail transaction shall be treated as occurring in this state
17 if the retail transaction is treated as occurring in this state under the provisions of
18 chapter 57-39.4 as those provisions apply to a prepaid wireless calling service.
- 19 b. Prepaid wireless emergency 911 fees collected by sellers shall be remitted to the
20 commissioner.
- 21 c. An entity required to collect and remit the prepaid wireless emergency 911 fee
22 shall register with the commissioner. The registration shall be made in the form
23 prescribed by the commissioner, in which the registrant shall identify the name
24 under which the registrant transacts or intends to transact business, the location
25 of the business, the federal identification number, and other information as the
26 commissioner may require.
- 27 d. Gross receipts from sales at retail of prepaid wireless services are exempt from
28 the prepaid wireless emergency 911 fee imposed by this section when the sale is
29 made to a person entitled to a sales and use tax exemption under subsection 6
30 ~~or 12~~ of section 57-39.2-04.

- 1 **SECTION 4. REPEAL.** Subsection 12 of section 57-39.2-04 of the North Dakota Century
- 2 Code is repealed.
- 3 **SECTION 5. EFFECTIVE DATE.** This Act is effective for taxable events occurring after
- 4 June 30, 2015.