

# INITIATED MEASURES, APPROVED

## CHAPTER 593

### SALES TAX REDUCTION

An initiated measure for an Act to amend the North Dakota sales, use and motor vehicle excise tax acts to make the rate two percent on sales of farm machinery and irrigation equipment and three percent on all other taxable sales and uses, and to exempt sales of electricity from sales and use taxation.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF NORTH DAKOTA:

SECTION 1.) A new section to chapter 57-39.2 of the North Dakota Century Code is hereby created and enacted to read as follows:

1. Except as otherwise expressly provided in subsection 2 of this section for sales of farm machinery and irrigation equipment used exclusively for agricultural purposes, and except as otherwise expressly provided in this chapter, there is hereby imposed a tax of three percent upon the gross receipts of retailers from all sales at retail including the leasing or renting of tangible personal property as hereinafter provided in this section, within the state of North Dakota of the following to consumers or users:
  1. Tangible personal property, consisting of goods, wares, or merchandise, except farm machinery and irrigation equipment used exclusively for agricultural purposes.
  2. The furnishing or service of steam, gas, water, or communication services.
  3. Tickets or admissions to places of amusement or entertainment or athletic events, including amounts charged for participation in an amusement, entertainment or athletic activity, and including the playing of any machine for amusement or entertainment in response to the use of a coin.
  4. Magazines and other periodicals, including subscriptions thereto.
  5. The leasing or renting of hotel, motel, or tourist court accommodations for periods of less than thirty consecutive calendar days or one month.

- 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 or a use tax under the provisions of chapter 57-40.2.
- 2. There is hereby imposed a tax of two percent upon the gross receipts of retailers from all sales at retail of farm machinery and irrigation equipment used exclusively for agricultural purposes, including the leasing or renting of farm machinery and irrigation equipment used exclusively for agricultural purposes within the state of North Dakota to consumers or users.

SECTION 2.) A new section to chapter 57-39.2 of the North Dakota Century Code is hereby created and enacted to read as follows:

- 1. Except as otherwise provided in subsection 2 of this section, retailers shall add the tax imposed under this chapter, or the average equivalent thereof, to the sales price or charge, and when added, such tax shall constitute a part of such price or charge, shall be a debt from the consumer or user to the retailer until paid, and shall be recoverable at law in the same manner as other debts. In adding such tax to the price or charge, retailers shall adopt the following bracket system for the application of the tax:

\$0.01 to \$0.15 .....	no tax
\$0.16 to \$0.33 .....	1¢ tax
\$0.34 to \$0.67 .....	2¢ tax
\$0.68 to \$1.00 .....	3¢ tax

Each additional \$1.00 - 3¢ additional tax, or each additional 33¢ or fraction thereof over \$1.00 - 1¢ additional tax.

- 2. On retail sales of farm machinery and irrigation equipment used exclusively for agricultural purposes, retailers shall add the tax imposed under this chapter, or the average equivalent thereof, to the sales price or charge, and when added, such tax shall constitute a part of such price or charge, shall be a debt from the consumer or user to the retailer until paid, and shall be recoverable at law in the same manner as other debts. In adding such tax to the price or charge, retailers shall add to it two percent of such price or charge.

SECTION 3.) A new section to chapter 57-40.2 of the North Dakota Century Code is hereby created and enacted to read as follows:

- 1. Except as otherwise expressly provided in subsection 2 of this section for purchases of farm machinery and irrigation equipment used exclusively for agricultural purposes, an excise tax is imposed on the storage, use, or consumption in this state of tangible personal property purchased at

retail for storage, use, or consumption in this state, at the rate of three percent of the purchase price of such property. Except as limited by section 57-40.2-11, an excise tax is imposed on the storage, use, or consumption in this state of tangible personal property not originally purchased for storage, use, or consumption in this state at the rate of three percent of the fair market value of such property at the time it was brought into this state.

2. An excise tax is imposed on the storage, use, or consumption in this state of farm machinery and irrigation equipment used exclusively for agricultural purposes purchased at retail for storage, use, or consumption in this state at the rate of two percent of the purchase price thereof. Except as limited by section 57-40.2-11, an excise tax is imposed on the storage, use, or consumption in this state of farm machinery and irrigation equipment used exclusively for agricultural purposes not originally purchased for storage, use, or consumption in this state at the rate of two percent of the fair market value of such farm machinery and irrigation equipment used exclusively for agricultural purposes at the time it was brought into this state.

SECTION 4.) A new subsection to 57-39.2-04 of the North Dakota Century Code is hereby created and enacted to read as follows:

Gross receipts from the sale of electricity.

SECTION 5.) A new subsection to 57-40.2-04 of the North Dakota Century Code is hereby created and enacted to read as follows:

Purchases of electricity.

SECTION 6.) Sections 57-39.2-02, 57-39.2-03, 57-39.2-03.1, 57-39.2-07, 57-39.2-08, 57-39.2-08.1, 57-40.2-02, 57-40.2-03, 57-40.2-03.1 and 57-40.3-03.1 of the North Dakota Century Code are hereby repealed.

SECTION 7.) The effective date of this Act shall be January 1, 1977.

Approved November 2, 1976

145,499 to 106,341

NOTE: This was initiated measure No. 1 on the general election ballot.