

Sixtieth
Legislative Assembly
of North Dakota

ENGROSSED HOUSE BILL NO. 1074

Introduced by

Finance and Taxation Committee

(At the request of the Tax Commissioner)

1 A BILL for an Act to create and enact a new section to chapter 57-39.2 of the North Dakota
2 Century Code, relating to the information reporting responsibilities of special events promoters
3 or organizers under the sales tax laws; to amend and reenact subsection 1 of section
4 57-39.2-23 of the North Dakota Century Code, relating to the confidentiality of sales and use
5 tax information; and to provide a penalty.

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

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

9 **Responsibilities of special events promoters - Penalty.**

10 1. A promoter or organizer of a special event at which ten or more special event
11 vendors participate shall, within twenty days following a special event, provide to
12 the tax commissioner a list identifying each participating special event vendor. The
13 list must be in the form and manner prescribed by the tax commissioner and must
14 contain the name and sales tax permit number of each special vendor. Records
15 must be retained by the promoter or organizer to the same extent as all
16 transactions involving sales or use tax as provided in section 57-39.2-10. For
17 purposes of this section:

18 a. "Promoter" or "organizer" means a person or entity that organizes or
19 promotes a special event that results in the rental, occupation, or use of a
20 structure, lot, tract of land, motor vehicle, sample or display case, table, or
21 any other similar items for the provision of displays, promotional activities, or
22 sale of tangible personal property or services by special event vendors.

23 b. "Special event" means an entertainment, amusement, recreation, or
24 marketing event that occurs at a single location on a recurring or irregular

1 basis and where sales, displays, or promotional activities occur. Special
2 events include auto shows, boat shows, gun shows, sport shows, knife
3 shows, home shows, craft shows, flea markets, carnivals, circuses, bazaars,
4 fairs, and art or other merchandise displays or exhibits.

5 c. "Special event vendor" means a person or entity making sales, providing
6 displays, or otherwise engaging in promotional activities at a special event.

7 2. A special event does not include an event that is organized for the exclusive
8 benefit of a nonprofit organization if all of the net proceeds of the retail sales of all
9 vendors at the event inure to the benefit of a nonprofit organization.

10 3. A promoter or organizer of a special event who fails or refuses to comply with this
11 section may be subject to a penalty of two hundred fifty dollars per event, which
12 amount may be waived by the tax commissioner for good cause shown.

13 **SECTION 2. AMENDMENT.** Subsection 1 of section 57-39.2-23 of the North Dakota
14 Century Code is amended and reenacted as follows:

15 1. The commissioner or ~~a person~~ an individual having an administrative duty under
16 this chapter may not divulge or make known in any manner whatever the business
17 affairs, operations, or information obtained from any person under any reporting
18 requirement of this chapter, or by an investigation of any person, ~~corporation, or~~
19 ~~limited liability company~~ in the discharge of official duty, or the amount or sources
20 of income, profits, losses, expenditures, or any particulars set forth or disclosed in
21 any return, or permit any return or copy or any book containing any abstract of
22 particulars to be seen or examined by any ~~person~~ individual.