North Dakota Sales and Use Tax Exemptions
Estimated Biennial Fiscal Effect *

Exempt Products	Biennial Estimate Low	High
Resources		
Gasoline	$160,000,000	$200,000,000
Coal	25,000,000	30,000,000
Electricity	36,000,000	41,000,000
Water Through Mains	1,400,000	2,000,000
Natural Gas	15,000,000	20,000,000
Publishing		
Newspapers	$2,500,000	$3,000,000
Magazine Subscriptions	1,200,000	1,500,000
Bibles, Hymnals, Prayerbooks and Textbooks Purchased by Private Schools		Less Than $5,000
Textbooks Purchased by Students	750,000	1,000,000
Medical		
Prescription Drugs	$8,800,000	$12,825,000
Oxygen and Anesthesia Gases	50,000	80,000
Artificial Devices (Hearing Aids, Eyeglasses, Limbs)	1,100,000	1,900,000
Ostomy Devices and Supplies	50,000	80,000
Diabetic & Bladder Dysfunction Supplies	250,000	350,000
Equipment to Modify Articles for Disabled	20,000	40,000
Sales to Hospitals and Nursing Homes	6,250,000	7,250,000
Agricultural		
Commercial Fertilizer (For Ag Purposes)	$16,000,000	$20,000,000
Livestock and Poultry Feed	13,500,000	18,000,000
Seeds for Planting	10,500,000	13,500,000
Fungicides, Herbicides, and Insecticides	14,500,000	19,000,000
Used Farm Machinery and Repair Parts	12,000,000	17,000,000
Other		
Money	250,000	350,000
Grocery Foods	65,000,000	75,000,000
Exempt Products Total	**$390,120,000**	**$483,880,000**

Miscellaneous Exemptions	Low	High
Rental of Hotel and Motel Accommodations	$1,900,000	$2,900,000
Film Rental (Movie Theater)	400,000	500,000
Sales to Residents of Montana	1,000,000	2,000,000
Sales to Residents of Canada (Refund)	1,000,000	2,000,000
State and Local Fairs	100,000	175,000
Private and Parochial Schools	500,000	700,000
Inter-State Telephone	2,000,000	4,000,000
Cable Television	3,000,000	4,000,000
Auctions	3,000,000	4,000,000
Manufacturing & Recycling Equipment	25,000,000	30,000,000
Bingo Cards	3,000,000	4,000,000
Miscellaneous Exemptions Total	**$40,900,000**	**$54,275,000**

Exempt Services	Biennial Estimate Low	High
Veterinary Services	$1,500,000	$2,000,000
Financial Services	3,250,000	5,500,000
Oil and Gas Field Services	15,000,000	20,000,000
Construction	15,000,000	24,000,000
Funeral Services	2,000,000	3,000,000
Miscellaneous Personal Services	600,000	700,000
Farm Machinery Repair	1,000,000	2,000,000
Transportation Services	200,000	400,000
Lawn Care Services	600,000	800,000
Engineering, Architecture, and Surveying	700,000	1,300,000
Health Services	80,000,000	125,000,000
Laundry, Dry Cleaning Service	1,200,000	2,000,000
Beauty and Barber Shops	3,000,000	4,000,000
Automotive Repair	8,000,000	12,500,000
Miscellaneous Repair	3,500,000	5,500,000
Accounting, Auditing and Bookkeeping	3,200,000	4,200,000
Business Services	6,000,000	7,000,000
Legal Services	7,000,000	9,000,000
Exempt Services Total	**$151,750,000**	**$228,900,000**
Grand Total All Exemptions	***$582,316,000***	***$767,055,000***

Partial Exemptions (fiscal effect is computed at 2% for new farm machinery and mobile homes)	Low	High
New - Farm Machinery and Repair Parts	$9,000,000	$13,000,000
New Mobile Homes	300,000	500,000
Total Partial Exemptions	**$9,300,000**	**$13,500,000**

* Calculations are based on 5% state sales and use tax rate. All amounts are preliminary and subject to change as additional information becomes available.

SOURCE: North Dakota Office of State Tax Commissioner, Research Section

Biennial Filing Deductions

Sales Taxes   **$ 3,800,000**
Businesses with taxable sales and purchases of $333,000 or more per year receive compensation of up to $85 per month for filing monthly returns.

Cigarette Tax   **$ 50,000**
Wholesalers who file and pay on time may deduct up to $100 per month. This deduction was originally to compensate for stamping cigarette packages. In 1991 the stamping requirement was repealed, but the compensation remains.

SOURCE: North Dakota Office of State Tax Commissioner,