

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

	Biennial Estimate			Biennial Estimate	
	Low	High		Low	High
<b>Exempt Products</b>			<b>Exempt Services</b>		
<b>Resources</b>			Veterinary Services	\$1,500,000	\$2,000,000
Gasoline	\$160,000,000	\$200,000,000	Financial Services	3,250,000	5,500,000
Coal	25,000,000	30,000,000	Oil and Gas Field Services	15,000,000	20,000,000
Electricity	36,000,000	41,000,000	Construction	15,000,000	24,000,000
Water Through Mains	1,400,000	2,000,000	Funeral Services	2,000,000	3,000,000
Natural Gas	15,000,000	20,000,000	Miscellaneous Personal Services	600,000	700,000
<b>Publishing</b>			Farm Machinery Repair	1,000,000	2,000,000
Newspapers	\$2,500,000	\$3,000,000	Transportation Services	200,000	400,000
Magazine Subscriptions	1,200,000	1,500,000	Lawn Care Services	600,000	800,000
Bibles, Hymnals, Prayerbooks and Textbooks Purchased by Private Schools		Less Than \$5,000	Engineering, Architecture, and Surveying	700,000	1,300,000
Textbooks Purchased by Students	750,000	1,000,000	Health Services	80,000,000	125,000,000
<b>Medical</b>			Laundry, Dry Cleaning Service	1,200,000	2,000,000
Prescription Drugs	\$8,800,000	\$12,825,000	Beauty and Barber Shops	3,000,000	4,000,000
Oxygen and Anesthesia Gases	50,000	80,000	Automotive Repair	8,000,000	12,500,000
Artificial Devices (Hearing Aids, Eyeglasses, Limbs)	1,100,000	1,900,000	Miscellaneous Repair	3,500,000	5,500,000
Ostomy Devices and Supplies	50,000	80,000	Accounting, Auditing and Bookkeeping	3,200,000	4,200,000
Diabetic & Bladder Dysfunc- tion Supplies	250,000	350,000	Business Services	6,000,000	7,000,000
Equipment to Modify Articles for Disabled	20,000	40,000	Legal Services	7,000,000	9,000,000
Sales to Hospitals and Nursing Homes	6,250,000	7,250,000	<b>Exempt Services Total</b>	<b>\$151,750,000</b>	<b>\$228,900,000</b>
<b>Agricultural</b>			<b>Grand Total All Exemptions</b>	<b>\$581,060,000</b>	<b>\$764,445,000</b>
Commercial Fertilizer (For Ag Purposes)	\$16,000,000	\$20,000,000	<b>Partial Exemptions (fiscal effect is computed at 2% for new farm machinery and mobile homes)</b>		
Livestock and Poultry Feed	13,500,000	18,000,000	New - Farm Machinery and Repair Parts	\$9,000,000	\$13,000,000
Seeds for Planting	10,500,000	13,500,000	New Mobile Homes	300,000	500,000
Fungicides, Herbicides, and Insecticides	14,500,000	19,000,000	<b>Total Partial Exemptions</b>	<b>\$9,300,000</b>	<b>\$13,500,000</b>
Used Farm Machinery and Repair Parts	12,000,000	17,000,000			
<b>Other</b>			* Calculations are based on 5% state sales and use tax rate. All amounts are preliminary and subject to change as additional infor- mation becomes available.		
Money	250,000	350,000	SOURCE: North Dakota Office of State Tax Commissioner, Research Section		
Grocery Foods	65,000,000	75,000,000			
<b>Exempt Products Total</b>	<b>\$390,120,000</b>	<b>\$483,880,000</b>			
<b>Miscellaneous Exemptions</b>					
Rental of Hotel and Motel Accommodations	\$190,000	\$290,000			
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			
<b>Miscellaneous Exemptions Total</b>	<b>\$39,190,000</b>	<b>\$51,665,000</b>			

## Biennial Filing Deductions

<b>Sales Taxes</b>	<b>\$ 3,800,000</b>
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.	
<b>Cigarette Tax</b>	<b>\$ 50,000</b>
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,