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SALES TAXES, NATIVE AMERICANS, AND NORTH DAKOTA LAW

Under a ruling by the North Dakota Supreme Court, the State of North Dakota *may not impose a sales tax on American Indians within the boundaries of the reservation* on which they are an enrolled member.

Effective July 1, 2007, the North Dakota legislature expanded the exemption to include sales made to a Native American who:

- *Is an enrolled member of any federally recognized Indian tribe*
- *Lives on any reservation located within North Dakota, and*
- *Takes possession of the goods on any reservation located within North Dakota.*

In 2009, the North Dakota Legislature also expanded the exemption to include to tribal government agencies. Effective July 1, 2009, *tribal government agencies are exempt from sales tax*. An exempt tribal entity is defined as a tribal government agency, instrumentality, or political subdivision that performs essential government functions.

The North Dakota Tax Commissioner has issued a sales *tax exemption certificate* to each tribal government located in North Dakota. Native American individuals do not receive exemption certificates from the Tax Commissioner because purchases off the reservation remain subject to tax.

To document an exempt sale to a Native American individual, retailers must request the *customer's enrollment number*. Retailers should retain the delivery address, customer's name, and customer's enrollment number to support an exemption granted to an enrolled member.

If you have any other questions on this topic, feel free to contact us or the North Dakota Tax Commissioner's office at (701) 328-1246.