



**DR. BUU NYGREN** *PRESIDENT*  
**RICHELLE MONTOYA** *VICE PRESIDENT*

**The Navajo Nation | Yideeskáądi Nitsáhákees**

March 2023

RE: Navajo Sales Tax

Dear Sir or Madam:

The Navajo Nation Sales Tax applies to all retail sales of goods and services occurring within the exterior boundaries of the Navajo Nation. For goods, the tax applies when the transfer of ownership occurs within the Navajo Nation, and for services, the tax applies when the person performing the service is physically located within the Navajo Nation.

The Navajo Sales Tax went into effect on April 1, 2002. On July 1, 2018, the tax rate increased from 5% to 6%. The tax returns and payments are due on a quarterly basis (on May 15<sup>th</sup>, August 15<sup>th</sup>, November 15<sup>th</sup> and February 15<sup>th</sup>). If the due date falls on a weekend, a Navajo Nation Holiday or a federal holiday, the due date becomes the next business day. Interest and penalties shall be assessed on all late tax returns and payments.

Enclosed, please find the Navajo Sales Tax statute and regulations, Uniform Tax Administration Statute, Tax Administration Regulations, and forms that apply to the Navajo Sales Tax. This office encourages you to carefully review the Navajo Sales Tax statute and regulation to determine your responsibility under Navajo Nation law.

If your business has a contract with the Navajo Nation, your contract should include a clause governing the withholding of tax from your payments. Please note that you shall file a quarterly tax return for those periods, and attach proof of payment with the return. For all other contracts or sales, the seller is responsible for filing the tax returns and paying the tax due. For construction activity, sub-contractors are exempt from filing and paying the tax **if** the general contractor files the tax return and pays the tax due. General Contractors may request a Non-Taxable Transaction Certificate from Office of the Navajo Tax Commission on behalf of the sub-contractors working on their respective projects.

The Navajo Sales Tax is completely separate from any state and county taxes that may apply to activity within the Navajo Nation boundaries, and paying the state taxes does not relieve your business from reporting and paying the Navajo Sales Tax.

Please contact our office at (928) 871-6681 to speak to a Tax Compliance Officer or visit our website at [www.tax.navajo-nsn.gov](http://www.tax.navajo-nsn.gov), if you have any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read "Larieta L. Tso".

Larieta L. Tso, Acting Executive Director  
Office of the Navajo Tax Commission

Encl.