



STATE OF NORTH DAKOTA
OFFICE OF STATE TAX COMMISSIONER
RYAN RAUSCHENBERGER, COMMISSIONER

October 20, 2015

Ms. Vonette Richter
Code Revisor
Legislative Council
State Capitol
600 East Boulevard Avenue
Bismarck, North Dakota 58505

Re: Tax Commissioner's Notice of Hearing on Proposed Rule Changes

Dear Ms. Richter:

Enclosed please find a copy of the Tax Commissioner's Notice of Hearing on Proposed Tax Rule Changes along with the proposed rules as required by N.D.C.C. § 28-32-02.

The hearing will be held on Tuesday, November 24, 2015, at 9:30 a.m., Central Time, at the North Dakota Office of State Tax Commissioner, on the 8th floor of the State Capitol Building.

If you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in blue ink that reads "Deb Klemmer".

Deb Klemmer
Rules Coordinator

Enclosures

NOTICE OF INTENT TO
ADOPT AND AMEND ADMINISTRATIVE RULES

TAKE NOTICE that the North Dakota State Tax Commissioner will hold a public hearing to address new, amended, and repeal of rules contained in Title 81 of the North Dakota Administrative Code. The purpose of the rule changes is to implement changes made by the 2015 legislative assembly and to amend or repeal obsolete rules. The hearing will be held on Tuesday, November 24, 2015, at 9:30 a.m., Central Time, at the North Dakota Office of State Tax Commissioner, State Capitol Building, Eighth Floor, 600 East Boulevard Avenue, Bismarck, North Dakota, 58505-0599.

The proposed rules implement statutory changes enacted by the 2015 Legislative Assembly: House Bills 1059, 1060, 1110, 1406 and 1476 relating to training and certification of assessors, disclosure of certain information in possession of the tax commissioner to the department of commerce, statements reflecting sales or use tax has been paid, state-tribal agreements and the definition of prepared food for sales tax purposes, and oil extraction tax rates and exemptions, and Senate Bill 2292 relating to apportionment of business income.

The proposed new rules address sales factor weighting election, monthly sales tax returns, and state-tribal tax administration agreement-effect on other rule. The proposed amended rules address definitions, organization and function of the North Dakota tax department, income tax exemption for new and expanding business, subchapter S corporation tax credits, tax credit for research and experimental expenditures, net operating losses, consolidated returns, elements of a worldwide combined report, designation of overpayment amount, available overpayment, designation of taxpayers owing tax, deduction of administrative expense, sales of trade-in property, agricultural commodity processing facility, food and food products for human consumption, sales in interstate commerce, sales to a person from Montana, agriculture-commercial chemicals and seeds for planting, agricultural-farm machinery and irrigation equipment-farm machinery and irrigation equipment repair parts, amusement-games for chance, banks-purchases and sales by national banks, state banks, trust companies, and

savings and loan associations, minerals-coal, minerals-coke and natural gas sold to industrial users, manufactured homes, manufactured homes-sales and rentals, rentals and rental agencies, communication service, tax incentives for qualifying secondary recovery projects and tax incentives for qualifying tertiary recovery projects. The proposed repealed rules address certification of assessment officials, venture capital corporation, reporting-income earned by husband and wife, computation of North Dakota income tax liability by a nonresident individual, estate, or trust electing to file under North Dakota Century Code section 57-38-30.3, confidential information, manufacturer's and retailer's federal excise tax, educational, religious, or charitable sales activities, amusement-coin operated amusement devices, new well exemption for vertical and horizontal wells, work-over exemption, trigger provision applicable to oil extraction tax rate, horizontal reentry well exemption, two-year inactive well exemption, banks, trust companies, and savings and loan associations. The proposed new and amended rules are not expected to have an impact on the regulated community in excess of \$50,000.

The proposed rules may be reviewed at the North Dakota Office of State Tax Commissioner, State Capitol Building, Eighth Floor, 600 East Boulevard Avenue, Bismarck, North Dakota, 58505-0599. A copy of the proposed rules and regulatory analyses may be obtained by writing Deb Klemmer, Rules Coordinator, at the above address, or calling (701) 328-2775. The proposed rules may also be viewed online at www.nd.gov/tax/proposedrules. Written or oral comments on the proposed rules must be sent to the above address or telephone number and received by 5:00 p.m., Central Time on December 4, 2015.

If you plan to attend the public hearing and will need special facilities or assistance relating to a disability, please contact the State Tax Commissioner's Office at least 10 days prior to the public hearing.

Dated this 20th day of October, 2015.

Ryan Rauschenberger
Tax Commissioner