

**SENATE BILL NO. 2101
with House Amendments**

Fifty-sixth
Legislative Assembly
of North Dakota

SENATE BILL NO. 2101

Introduced by

Finance and Taxation Committee

(At the request of the Tax Commissioner)

1 A BILL for an Act to amend and reenact subsection 2 of section 57-34-03 and section 57-34-05
2 of the North Dakota Century Code, relating to deposit and distribution of the
3 telecommunications carriers tax; to provide a continuing appropriation; to provide a transfer; to
4 provide an effective date; and to declare an emergency.

5 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

6 **SECTION 1. AMENDMENT.** Subsection 2 of section 57-34-03 of the 1997
7 Supplement to the North Dakota Century Code is amended and reenacted as follows:

8 2. A telecommunications carrier's customer in this state is entitled to a refund equal to
9 two and one-half percent of the amount of telecommunications service charges
10 paid to telecommunications carriers by that customer in excess of eight hundred
11 thousand dollars in a calendar year. A refund claim under this subsection must be
12 filed with the tax commissioner before July first of the year following the calendar
13 year for which the refund is claimed. A claim for refund must be made in the
14 manner prescribed by the tax commissioner. Refunds under this subsection must
15 be paid by the tax commissioner from tax collections under this chapter and are
16 appropriated from the telecommunications carriers tax fund as a standing and
17 continuing appropriation to the tax commissioner for that purpose.

18 **SECTION 2. AMENDMENT.** Section 57-34-05 of the 1997 Supplement to the North
19 Dakota Century Code is amended and reenacted as follows:

20 **57-34-05. Deposit of tax revenues - Allocation to counties - Telecommunications**
21 **carriers tax fund - Continuing appropriation.** Net gross receipts tax revenues of up to eight
22 million four hundred thousand dollars per taxable year under this chapter must be deposited in
23 a special fund in the state treasury, the telecommunications carriers tax fund. Net gross
24 receipts tax revenues under this chapter exceeding eight million four hundred thousand dollars

1 in a taxable year must be deposited in the state general fund. For purposes of this section, "net
2 gross receipts tax revenues" means gross receipts tax revenues minus any refunds paid under
3 section 57-34-03. The tax commissioner shall allocate ~~net gross receipts tax revenues~~ moneys
4 in the telecommunications carriers tax fund among counties in the same proportion that taxes
5 paid by telecommunications carriers in locally assessed property taxes and taxes assessed
6 under chapter 57-06 and this chapter in 1997 and received by taxing districts in the county
7 bears to all taxes paid by telecommunications carriers in locally assessed property taxes and
8 taxes assessed under chapter 57-06 and this chapter in 1997 and received by taxing districts in
9 the state. ~~Gross receipts tax revenues of~~ The balance of the telecommunications carriers tax
10 fund, not exceeding eight million four hundred thousand dollars per taxable year ~~are, is~~
11 appropriated as a standing and continuing appropriation to the tax commissioner for allocation
12 to counties under this section ~~and any gross receipts tax revenues exceeding that appropriation~~
13 ~~in any taxable year must be deposited in the state general fund.~~ If gross receipts tax revenues
14 available for allocation in a taxable year are less than eight million four hundred thousand
15 dollars, there is appropriated as a standing and continuing appropriation from the state general
16 fund the amount that, when added to gross receipts tax revenues available for allocation from
17 the telecommunications carriers tax fund for the taxable year, results in allocation of eight
18 million four hundred thousand dollars to counties per taxable year. On or before the first day of
19 March of each year, the tax commissioner shall certify for payment to the state treasurer an
20 amount determined to be due each county. The state treasurer shall remit the certified amount
21 to the county treasurers according to the allocation made by the tax commissioner under this
22 section not later than the tenth working day in March of each year.

23 **SECTION 3. TRANSFER.** Within five days after the effective date of this Act, the state
24 treasurer shall transfer net gross receipts tax revenues collected under chapter 57-34 for
25 taxable year 1998 from the state general fund to the telecommunications carriers tax fund, but
26 the transfer under this section may not exceed the limitation on deposits in the
27 telecommunications carriers tax fund under section 57-34-05.

28 **SECTION 4. EFFECTIVE DATE.** This Act is retroactively effective for taxable years
29 beginning after December 31, 1997.

30 **SECTION 5. EMERGENCY.** This Act is declared to be an emergency measure.