

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

1059

2001 HOUSE FINANCE AND TAXATION
HB 1059

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1059

House Finance and Taxation Committee

☐ Conference Committee

Hearing Date January 15, 2001

Tape Number	Side A	Side B	Meter #
1	X		95
Committee Clerk Signature <i>Janice Stein</i>			

Minutes:

REP. AL CARLSON, CHAIRMAN, Opened the hearing with one committee member absent.

REP. MYRON KOPPANG, DIST. 25, WAHPETON, Testified as the prime sponsor of the bill. See attached written testimony.

EDITH FJELSTAD, WATFORD CITY, Testified in support of the bill. She stated this was a very good bill for the elderly. She stated ten cents per mile was not enough.

CHUCK KRUEGER, STAFF OF THE STATE TAX DEPARTMENT, Appeared before the committee to answer questions.

REP. CARLSON Asked who was required to make the application for the credit and who chooses the amount of the income, and is there a income tax form.

CHUCK KRUEGER Stated it is done at the local city governments, they are qualified on a graduated taxable value. Regarding renters, the application is made directly to the state.

REP. CARLSON Asked whether this was used consistently.

CHUCK KRUEGER Stated the administration of who qualified is done at the local level. They don't see any of these applicants on the state level.

REP. CARLSON Asked whether the graduated figures were determined by the state.

CHUCK KRUEGER Stated, it was set in statute.

REP. DROVDAL Asked what the department's response would be if they changed the ten center per mile to thirty two cents.

CHUCK KRUEGER Stated this area was not his expertise. Since the income is federalized, they follow the federal amount. He stated there was a proposal that the amount would be thirty four cents in 2001.

REP. CARLSON Asked whether it was ten cents in other areas.

CHUCK KRUEGER Yes, it does not affect income tax calculations, just the amount of deductions.

REP. SCHMIDT Asked when they apply, what do they use.

CHUCK KRUEGER It is handled like any other application. He stated they do not do audits for renters, he didn't know if it is done on the local level.

With no further testimony, the hearing was closed.

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House Finance and Taxation Committee
Bill/Resolution Number HB 1059
Hearing Date January 15, 2001

COMMITTEE ACTION Tape #2, 1-23-01, Side A, Meter #1771

Discussion was held regarding the thirty two cents for mileage. It was mentioned that the federal rate is thirty four and a half, and this bill would bring the amount to the federal level.

REP. RENNER Made a motion for a do pass.

REP. HERBEL Second the motion. Motion carried.

12 yes 2 no 1 absent

REP. WIKENHEISER Was given the floor assignment.

FISCAL NOTE STATEMENT

House Bill or Resolution No. 1059

This bill or resolution appears to affect revenues, expenditures, or fiscal liability of counties, cities, or school districts. However, no state agency has primary responsibility for compiling and maintaining the information necessary for the proper preparation of a fiscal note regarding this bill or resolution. Pursuant to Joint Rule 502, this statement meets the fiscal note requirement.

John Walstad
Code Revisor

Date: 1-23-01
Roll Call Vote #: 1

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1059

House FINANCE & TAXATION Committee

☐ Subcommittee on _____
or
☐ Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass

Motion Made By Rep. Renner Seconded By Rep. Herbel

Representatives	Yes	No	Representatives	Yes	No
CARLSON, AL, CHAIRMAN	✓		NICHOLAS, EUGENE	✓	
DROVDAL, DAVID, V-CHAIR	✓		RENNER, DENNIS	✓	
BRANDENBURG, MICHAEL	✓		RENNERFELDT, EARL	✓	
CLARK, BYRON		✓	SCHMIDT, ARLO	✓	
GROSZ, MICHAEL	✓		WIKENHEISER, RAY	✓	
HERBEL, GIL	✓		WINRICH, LONNY	✓	
KELSH, SCOT	✓				
KROEBER, JOE	✓				
LLOYD, EDWARD		✓			

Total (Yes) 12 No 2

Absent 1

Floor Assignment Rep Wikenheiser

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410)
January 23, 2001 4:36 p.m.

Module No: HR-11-1479
Carrier: Wikenheiser
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1059: Finance and Taxation Committee (Rep. Carlson, Chairman) recommends **DO PASS** (12 YEAS, 2 NAYS, 1 ABSENT AND NOT VOTING). HB 1059 was placed on the Eleventh order on the calendar.

2001 SENATE FINANCE AND TAXATION

HB 1059

2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 1059

Senate Finance and Taxation Committee

☐ Conference Committee

Hearing Date 3/5/01

Tape Number	Side A	Side B	Meter #
1	x		23-40
3/7/01 - 1		x	4,6-7,2
2	x		7,9-9,3
Committee Clerk Signature <i>Myron Koppang</i>			

Minutes:

Senator Urlacher: Opened the hearing on HB 1059, relating to determination of medical care transportation expenses for purposes of the homestead property tax credit for senior citizens.

Representative Myron Koppang: Co-sponsored the bill, testified in support. Written testimony attached. This bill doesn't impact a lot of people but it does help those who need it the most.

Senator Stenchjem: Is there any reason we don't tie this to the state rate for mileage? Does it have to be tied to the Federal rate? We're going to treat them different than state employees or anybody else in the state.

Representative Myron Koppang: I don't have a good answer for that. They were going to do that in the House, but did not.

Marcy Dickerson: State Tax Dept., testified neutrally. Explained the mileage costs. For the year 2000, the refund is \$.10 a mile. For the year 2001, the IRS has moved that up to \$.12 a mile.

Very few people claim medical mileage.

Senator Stenehjem: A person that would be claiming a tax credit, they can claim this on their Federal income tax?

Marcy Dickerson: This has nothing to do with their income tax, this only applies to property tax reduction. The homestead credit reduces the taxable value of their home, which then reduces their taxes because the tax rate is applied to a lower value.

Senator Stenehjem: Where does the \$.12 Federal rate play in?

Marcy Dickerson: At the present time, if a person who's applying for the homestead credit or the renter's refund has medical mileage, they can deduct that like they deduct their other medical expenses. At this point we've been allowing \$.10 a mile through 2000. It will be \$.12 a mile in 2001. Instead of that, under this bill, they would be allowed to take 32 ½ cents a mile in 2000 and 34 ½ cents a mile in 2001, if they have medical mileage. We can't tell you what the overall effect is going to be.

Senator Christmann: Is homestead tax credit optional? Do the counties have to give that?

Marcy Dickerson: The counties have to give that, but the state reimburses them for it.

Senator Christmann: Where's the \$.10 tax in the law?

Marcy Dickerson: That is in the Federal income tax laws.

Senator Wardner: Do we in the legislature appropriate a certain amount of money for the homestead credit and when it's gone, it's gone?

Marcy Dickerson: Yes. I think in the past there was an emergency appropriation added.

Senator Urlacher: These actions wouldn't have a very drastic effect?

Marcy Dickerson: In my opinion, a very small impact.

Senator Urlacher: Closed the hearing.

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Senate Finance and Taxation Committee
Bill/Resolution Number 1059
Hearing Date 3/5/01

Discussion followed. Senator Stenehjem would like it to tie to the state mileage rate and will get an amendment drafted.

Discussion held 3/7/01. Meter number 4.6-

Motion made by Senator Wardner for a DO PASS, Seconded by Senator Christmann. Motion was withdrawn.

Committee decided to form amendment to tie the rate of mileage to the state rate.

Discussion held later.

AMENDMENT ACTION:

Motion made Senator Stenehjem, Seconded by Senator Wardner, to move unnumbered amendments. Voice Vote taken. All in favor, amendment adopted.

COMMITTEE ACTION:

Motion made by Senator Stenehjem for a DO PASS AS AMENDED, Seconded by Senator Christmann. Vote was 6 yeas, 0 nays, 0 absent and not voting. Bill carrier was Senator Nichols.

Date: 3/7/01
Roll Call Vote #: 1

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1059

Senate Finance and Taxation Committee

☐ Subcommittee on _____
or
☐ Conference Committee

Legislative Council Amendment Number _____

Action Taken DO PASS (Withdrawn)

Motion Made By Wardner Seconded By Christmann

Senators	Yes	No	Senators	Yes	No
Senator Urlacher-Chairman					
Senator Wardner-Vice Chairman					
Senator Christmann					
Senator Stenehjem					
Senator Kroeplin					
Senator Nichols					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

Date: 3/7/01
Roll Call Vote #: 1

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 105A

Senate Finance and Taxation Committee

☐ Subcommittee on _____
or
☐ Conference Committee

Legislative Council Amendment Number _____

Action Taken Move Amendment unnumbered (voice vote)

Motion Made By Stenehjem Seconded By Wardner

Senators	Yes	No	Senators	Yes	No
Senator Urlacher-Chairman					
Senator Wardner-Vice Chairman					
Senator Christmann					
Senator Stenehjem					
Senator Kroeplin					
Senator Nichols					

Total (Yes) 6 No 0

Absent 0

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

Date: 3/7/01
Roll Call Vote #: 0

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1059

Senate Finance and Taxation Committee

☐ Subcommittee on _____
or
☐ Conference Committee

Legislative Council Amendment Number _____

Action Taken DO PASS AS AMENDED

Motion Made By Stenehjem Seconded By Christmann

Senators	Yes	No	Senators	Yes	No
Senator Urlacher-Chairman	✓				
Senator Wardner-Vice Chairman	✓				
Senator Christmann	✓				
Senator Stenehjem	✓				
Senator Kroeplin	✓				
Senator Nichols	✓				

Total (Yes) 6 No 0

Absent 0

Floor Assignment Nichols

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410)
March 8, 2001 9:39 a.m.

Module No: SR-40-5097
Carrier: Nichols
Insert LC: 10269.0101 Title: .0200

REPORT OF STANDING COMMITTEE

HB 1059: Finance and Taxation Committee (Sen. Urlacher, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1059 was placed on the Sixth order on the calendar.

Page 1, line 12, remove "method" and replace "federal income tax" with "state officer and employee"

Page 1, line 13, remove "purposes for business" and after "vehicle" insert "under section 54-06-09"

Renumber accordingly

2001 TESTIMONY

HB 1059



NORTH DAKOTA HOUSE OF REPRESENTATIVES

STATE CAPITOL
600 EAST BOULEVARD
BISMARCK, ND 58505-0360

COMMITTEES:
Industry, Business and Labor
Agriculture

Representative Myron Koppang
District 25
7751 County Road 10
Wahpeton, ND 58075-9626

House Bill No. 1059
House of Representative
Finance & Tax Committee
Representative Al Carlson, Chairman

Mr. Chairman, Members of the Committee, my name is Representative Myron Koppang from District 25. House Bill 1059 amends Subsection 4 of section 52-02-681 of the North Dakota Century Code, relating to medical care, and transportation expenses for the purpose of the homestead property tax credit for senior citizens.

Subsection 4 of this bill presently allows "Medical Expenses" not covered by insurance to be deducted in determining a person's income eligibility for Homestead Credit. The problem is that Subsection 4 "Medical Expenses" has the same meaning as it has for state income tax purposes, presently \$.10 per mile. Senior citizens are wondering, why such a low rate?

This amendment of Subsection 4 allows medical transportation costs to use the standard mileage rate method allowed for federal income tax purpose for business use of a motor vehicle.

Mr. Larry L. Osborn, Supervisor of Tax & Property of Richland County, brought this amendment forward on behalf of the Senior Citizens that qualify for Homestead Credit.

Mr. Chairman, this concludes my testimony. I will try to answer any questions. Thank you.

Fifty-seventh
Legislative Assembly
of North Dakota

HOUSE BILL NO. 1059

Introduced by

Representatives Koppang, Gulleson, M. Klein

Senators Thane, Wardner

- 1 A BILL for an Act to amend and reenact subsection 4 of section 57-02-08.1 of the North Dakota
2 Century Code, relating to determination of medical care transportation expenses for purposes
3 of the homestead property tax credit for senior citizens; and to provide an effective date.

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

5 **SECTION 1. AMENDMENT.** Subsection 4 of section 57-02-08.1 of the North Dakota
6 Century Code is amended and reenacted as follows:

- 7 4. In determining a person's income for eligibility under this section, the amount of
8 medical expenses actually incurred by that person or any dependent person and
9 not compensated for by insurance or otherwise must be deducted. For purposes
10 of this section, the term "medical expenses" has the same meaning as it has for
11 state income tax purposes, except that for transportation for medical care the
12 person may use the standard mileage rate method allowed for ^{state employees} federal income tax
13 purposes for business use of a motor vehicle. - under section 54-06-09

14 **SECTION 2. EFFECTIVE DATE.** This Act is effective for taxable years beginning after
15 December 31, 2000.

House Bill 1059
Senate Finance & Tax Committee
Senator Herb Urlacher, Chair

Mr. Chairman, Members of the Committee, my name is Representative Myron Koppang from District 25. House Bill 1059 amends Subsection 4 of section 52-02-681 of the North Dakota Century Code, relating to medical care and transportation expenses for the purpose of the Homestead Property Tax Credit for senior citizens.

Subsection 4 of this bill presently allows "Medical Expenses" not covered by insurance to be deducted in determining a person's income eligibility for Homestead Credit. The problem is that Subsection 4 "Medical Expenses" has the same meaning as it has for state income tax purposes, presently \$0.10 per mile. Senior citizens are wondering, why such a low rate?

This amendment of Subsection 4 allows medical transportation costs to use the standard mileage rate method allowed for federal income tax purposes, for business use of a motor vehicle.

Mr. Larry L. Osborn, Supervisor of Tax & Property of Richland County, brought this amendment forward on behalf of the senior citizens who qualify for Homestead Credit.

Mr. Chairman, this concludes my testimony. I will try to answer any questions. Thank you.