

Introduced by

Finance and Taxation Committee

(At the request of the Tax Commissioner)

1 A BILL for an Act to amend and reenact section 57-01-13 of the North Dakota Century Code,  
2 relating to the collection of delinquent telecommunications carriers tax from nonresident  
3 taxpayers and service of payment requests to delinquent nonresident taxpayers before  
4 assignment to a collection or credit agency.

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

6 **SECTION 1. AMENDMENT.** Section 57-01-13 of the North Dakota Century Code is  
7 amended and reenacted as follows:

8 **57-01-13. (Contingent expiration date - See note) Collection of delinquent sales,**  
9 **use, motor vehicle fuels, special fuels, importer for use, aviation fuel, motor vehicle**  
10 **excise, telecommunications carriers, income, and business and corporation privilege**  
11 **taxes.**

12 1. Notwithstanding the secrecy and confidential information provisions in chapters  
13 57-38 ~~and~~ 57-39.2, and 57-40.2, the tax commissioner may, for the purpose of  
14 collecting delinquent North Dakota sales, use, motor vehicle fuels, special fuels,  
15 importer for use, aviation fuel, motor vehicle excise, telecommunications carriers,  
16 income, or business and corporation privilege taxes due from a taxpayer not  
17 residing or domiciled in this state, contract with any collection or credit agency,  
18 within or without the state, for the collection of the delinquent sales, use, motor  
19 vehicle fuels, special fuels, importer for use, aviation fuel, motor vehicle excise,  
20 telecommunications carriers, income, or business and corporation privilege taxes,  
21 including penalties and interest thereon. For purposes of this section, a delinquent  
22 tax is defined as a tax liability that is due and owing for a period longer than six  
23 months and for which the taxpayer has been given at least three notices in writing  
24 requesting payment, ~~the first two.~~ The notices must be sent by ~~regular~~ first-class

mail to the taxpayer at the taxpayer's last-known mailing address ~~and the~~. The  
third notice must be sent ~~by certified or registered mail to the taxpayer's last known~~  
~~mailing address~~ with a copy of an affidavit of mailing. If the tax commissioner has  
assigned a delinquent tax liability pursuant to this section, subsequent sales, use,  
motor vehicle fuels, special fuels, importer for use, aviation fuel, motor vehicle  
excise, telecommunications carriers, income, or business and corporation privilege  
taxes that become due from the same taxpayer may be assigned immediately and  
without further notice to the taxpayer, so long as the originally assigned liability has  
not been fully collected.

2. a. Fees for services, reimbursement, or any other remuneration to a collection or  
credit agency must be based on the amount of tax, penalty, and interest  
actually collected. Each contract entered into between the tax commissioner  
and the collection or credit agency must provide for the payment of fees for  
the services, reimbursements, or other remuneration not in excess of fifty  
percent of the amount of delinquent sales, use, motor vehicle fuels, special  
fuels, importer for use, aviation fuel, motor vehicle excise, income, or  
business and corporation privilege tax, including penalties and interest  
actually collected.
- b. All funds collected by the collection or credit agency must be remitted to the  
tax commissioner monthly from the date of collection from a taxpayer. Forms  
to be used for the remittances must be prescribed by the tax commissioner.  
The tax commissioner shall transfer the funds to the state treasurer for  
deposit in the state general fund. An amount equal to the amount of fees for  
services, reimbursement, or any other remuneration to the collection or credit  
agency as set forth in the contract authorized by this section is appropriated  
as a standing and continuing appropriation to the tax commissioner for  
payment of fees due under the contract.
- c. Before entering into a contract, the tax commissioner shall require a bond  
from the collection or credit agency not in excess of ten thousand dollars,  
guaranteeing compliance with the terms of the contract.

- 1           3.    A collection or credit agency entering into a contract with the tax commissioner for  
2                   the collection of delinquent taxes pursuant to this section thereby agrees that it is  
3                   doing business in this state for the purposes of the North Dakota income tax and  
4                   business and corporation privilege tax laws.

5                   **(Contingent effective date - See note) Collection of delinquent sales, use, motor**  
6                   **vehicle fuels, special fuels, importer for use, aviation fuel, motor vehicle excise,**  
7                   **telecommunications carriers, income, and business and corporation privilege taxes.**

- 8           1.    Notwithstanding the secrecy and confidential information provisions in chapters  
9                   57-38 and 57-39.2, the tax commissioner may, for the purpose of collecting  
10                  delinquent North Dakota sales, use, motor vehicle fuels, special fuels, importer for  
11                  use, aviation fuel, motor vehicle excise, telecommunications carriers, income, or  
12                  business and corporation privilege taxes due from a taxpayer not residing or  
13                  domiciled in this state, contract with any collection or credit agency, within or  
14                  without the state, for the collection of the delinquent sales, use, motor vehicle  
15                  fuels, special fuels, importer for use, aviation fuel, motor vehicle excise,  
16                  telecommunication carriers, income, or business and corporation privilege taxes,  
17                  including penalties and interest thereon. For purposes of this section, a delinquent  
18                  tax is defined as a tax liability that is due and owing for a period longer than six  
19                  months and for which the taxpayer has been given at least three notices in writing  
20                  requesting payment,~~the first two.~~ The notices must be sent by regular mail to the  
21                  taxpayer at the taxpayer's last-known mailing address ~~and the.~~ The third notice  
22                  must be sent ~~by certified or registered mail to the taxpayer's last known mailing~~  
23                  ~~address~~ with a copy of an affidavit of mailing. If the tax commissioner has  
24                  assigned a delinquent tax liability pursuant to this section, subsequent sales, use,  
25                  motor vehicle fuels, special fuels, importer for use, aviation fuel, motor vehicle  
26                  excise, income, or business and corporation privilege taxes that become due from  
27                  the same taxpayer may be assigned immediately and without further notice to the  
28                  taxpayer, so long as the originally assigned liability has not been fully collected.
- 29           2.    a.   Fees for services, reimbursement, or any other remuneration to a collection or  
30                          credit agency must be based on the amount of tax, penalty, and interest  
31                          actually collected. Each contract entered into between the tax commissioner

- 1                   and the collection or credit agency must provide for the payment of fees for  
2                   the services, reimbursements, or other remuneration not in excess of fifty  
3                   percent of the amount of delinquent sales, use, motor vehicle fuels, special  
4                   fuels, importer for use, aviation fuel, motor vehicle excise, income, or  
5                   business and corporation privilege tax, including penalties and interest  
6                   actually collected.
- 7                   b. All funds collected, less the fees for collection services, as provided in the  
8                   contract, must be remitted to the tax commissioner monthly from the date of  
9                   collection from a taxpayer. Forms to be used for the remittances must be  
10                  prescribed by the tax commissioner.
- 11                  c. Before entering into a contract, the tax commissioner shall require a bond  
12                  from the collection or credit agency not in excess of ten thousand dollars,  
13                  guaranteeing compliance with the terms of the contract.
- 14                  3. A collection or credit agency entering into a contract with the tax commissioner for  
15                  the collection of delinquent taxes pursuant to this section thereby agrees that it is  
16                  doing business in this state for the purposes of the North Dakota income tax and  
17                  business and corporation privilege tax laws.