

FISCAL NOTE

Requested by Legislative Council

01/15/2001

Bill/Resolution No.: HB 1223

Amendment to:

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds

Revenues

Expenditures

Appropriations

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2. **Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

HB 1223 allows property **leased** in North Dakota to qualify for the geothermal, solar, or wind energy tax credit.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

Subsection 1 of section 57-38-01.8 NDCC allows taxpayers a tax credit equal to 5% of the cost of acquisition and installation of the geothermal, solar, or wind energy device per year for three years. If HB 1223 is enacted, a taxpayer who leases property in North Dakota and installs a \$1,000,000 wind tower would receive a credit equal to \$50,000 or their income tax liability, whichever is less, for the first three years of operation. The baseline forecast does not specifically include the building of large-scale wind-powered electrical generating facilities. Additionally, it is unknown whether a developer of such a facility would incur an income tax liability sufficient to utilize all or part of this credit.

B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

Name: Kathryn L. Strombeck
Phone Number: 328-3402

Agency: Tax Department
Date 01/23/2001
Prepared: