PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1049

That the Senate recede from its amendments as printed on page 1451 of the House Journal and pages 925 and 926 and page 1274 of the Senate Journal and that Engrossed House Bill No. 1049 be amended as follows:

Page 1, line 3, after the comma insert "section 57-39.2-03.6,"

- Page 1, line 4, after the comma insert "subsection 3 of section 57-40.2-02.1,"
- Page 1, line 6, after "tax" insert "rate reduction and" and after the first "for" insert "sales of natural gas and for"
- Page 1, line 7, after "57-39.2-03.6" insert "and subsection 3 of section 57-40.2-02.1"

Page 3, after line 16, insert:

"**SECTION 2. AMENDMENT.** Section 57-39.2-03.6 of the North Dakota Century Code is amended and reenacted as follows:

57-39.2-03.6. Sales tax rate on natural gas sales. Notwithstanding any other provisions of this chapter, the rate of the tax imposed under this chapter upon the gross receipts of retailers from all sales at retail of natural gas to retail consumers or users is four <u>one</u> percent from January 1, 1993, through December 31, 1993; three percent from January 1, 1994, through December 31, 1994; and two percent after December 31, 1994."

Page 3, after line 24, insert:

"**SECTION 5. AMENDMENT.** Subsection 3 of section 57-40.2-02.1 of the North Dakota Century Code is amended and reenacted as follows:

- 3. An excise tax is imposed on the storage, use, or consumption in this state of natural gas consumed by a final user at the rate of four one percent from January 1, 1993, through December 31, 1993; three percent from January 1, 1994, through December 31, 1994; and two percent after December 31, 1994, if sales tax has not been applied as provided by section 57-39.2-03.6."
- Page 4, line 3, after "is" insert "exempt from the special fuel tax imposed by section 57-43.2-02 and subject to a tax at a rate of two cents per gallon under section 57-43.2-03 from January 1, 2008, through June 30, 2009, and after that date is"

Page 4, line 9, replace "Special fuel, other than" with "Propane"

Page 4, line 10, remove "<u>diesel fuel,</u>" and after "<u>is</u>" insert "<u>exempt from the special fuel tax</u> imposed by section 57-43.2-02 and subject to a tax at a rate of one percent under section 57-43.2-03 from January 1, 2008, through June 30, 2009, and thereafter is"

- Page 4, line 11, after the underscored period insert "<u>Special fuel, other than diesel fuel and</u> propane, sold for use as heating fuel is exempt from the special fuel tax imposed by section 57-43.2-02 and subject to a tax at a rate of two cents per gallon under section 57-43.2-03 from January 1, 2008, through June 30, 2009, and thereafter is exempt from the special fuel tax imposed by sections 57-43.2-02 and 57-43.2-03 at the time the fuel is sold to the consumer."
- Page 4, line 18, after "57-39.2-03.6" insert "and subsection 3 of section 57-40.2-02.1" and replace "is" with "are"
- Page 4, line 20, replace "This" with "Sections 1, 2, 3, 5, and 6 of this" and replace "is" with "are"
- Page 4, line 21, replace "June 30" with "December 31" and after the period insert "Sections 4 and 7 of this Act are effective for taxable events occurring after June 30, 2009."

Renumber accordingly