

**FISCAL NOTE**  
**Requested by Legislative Council**  
02/08/2007

Amendment to: SB 2245

**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.*

	2005-2007 Biennium		2007-2009 Biennium		2009-2011 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues			(\$2,170,000)			
Expenditures						
Appropriations						

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

2005-2007 Biennium			2007-2009 Biennium			2009-2011 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

**2A. Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

Eng. SB 2245 provides an income tax credit for the costs of higher education for taxpayers and dependents enrolled in a North Dakota college or university.

**B. Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

Section 1 of Eng. SB 2245 authorizes an income tax credit equal to fifteen percent of the amount of federal Hope scholarship tax credit. This amount is increased by twenty percent if the student is a qualifying National Guard or reserve member.

Federal statistics indicate approx. 5.4% of the individual income tax returns claim one of two education credits, with the average federal credit totaling \$837. The breakdown between the Hope and Lifetime Learning tax credits is not available. Using these statistics, and assuming a 50%/50% split between the two federal credits, Eng. SB 2245 is expected to reduce state general fund revenues \$2.17 million in the 2007-09 biennium.

**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.*

**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, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

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