March 15, 2007

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1049

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

Page 1, line 5, after "tax" insert "rate reduction and"

Page 1, line 6, after "tax" insert "rate reduction and" and after the first "for" insert "sales of natural gas and for"

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 <u>and coal</u> 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. 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 coal that is exempt from the coal severance tax is two percent."

- 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 one percent under section 57-43.2-03 from July 1, 2008, through June 30, 2009, and after that date is"
- Page 4, line 10, 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 one percent under section 57-43.2-03 from July 1, 2008, through June 30, 2009, and thereafter is"
- Page 4, line 20, replace "This" with "Sections 2 and 5 of this" and replace "is" with "are"
- Page 4, line 21, replace "2007" with "2008" and after the period insert "Sections 1, 3, 4, and 6 of this Act are effective for taxable events occurring after June 30, 2009."

Renumber accordingly