

**FISCAL NOTE**  
**Requested by Legislative Council**  
05/01/2009

Amendment to: Reengrossed  
HB 1324

**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.*

	2007-2009 Biennium		2009-2011 Biennium		2011-2013 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.*

2007-2009 Biennium			2009-2011 Biennium			2011-2013 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).*

HB 1324 2nd Engr with Conference Committee Amendments repeals the state's optional filing method (Form ND-2) and replaces it with a new simplified filing method to be available to taxpayers that do not have tax deductions or credits.

**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.*

The repeal of existing Form ND-2 is expected to result in a small shift in revenues ranging from +/- \$100,000 for the 2009-11 biennium. (Note: 2007 tax liabilities on Form ND-2 returns totaled only \$907,000. Tax liabilities on 2007 Form ND-1 returns totaled \$288.3 million.)

The ND-1 rate reductions enacted as part of SB 2199 help mitigate any tax increases that might occur to those ND-2 filers that might be hurt by the repeal. Many ND-2 filers will benefit by the repeal because they are filing ND-2 in error.

The provisions authorizing a new simplified filing method for taxpayers with no tax deductions or tax credits is not expected to affect revenues. The tax rates and brackets in place for this new simplified filing method are the same as for the more detailed and lengthy existing filing method, Form ND-1. If this bill is enacted, the rate reductions in SB 2199 will apply to ND-1 and to the new simple form provided for in this bill.

Section 31 addresses the hold-harmless intent for schools receiving a portion of gross production tax revenues. The additional revenue provided to oil producing counties, cities and school districts in HB 1304 intended to keep the schools receiving the exact amount they would receive under current law. Section 31 corrects a problem in HB 1304 and assures the schools are kept whole. There is no net change in total revenues distributed in HB 1304 because of the correction in this bill.

**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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