

**FISCAL NOTE**  
Requested by Legislative Council  
01/26/2011

Bill/Resolution No.: SB 2331

**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.*

	2009-2011 Biennium		2011-2013 Biennium		2013-2015 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.*

2009-2011 Biennium			2011-2013 Biennium			2013-2015 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).*

SB 2331 creates a new income tax credit for a North Dakota employer who hires an individual who is disabled as defined by the Americans with Disabilities Act of 1990 and is receiving services because of the disability.

**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.*

SB 2331 creates an income tax credit based on the wages paid by the employer to an eligible employee in each of the first three tax years, beginning with the tax year in which the employee is hired. The credit is equal to a percentage of the wages, up to \$5,000, in each of the three tax years. The percentage is 50 percent in the first tax year, 30 percent in the second tax year, and 10 percent in the third tax year. The full amount of the credit (calculated for the three tax years) is allowed in the tax year following the tax year in which the eligible employee completes 12 consecutive months of employment. The credit is only allowed for an eligible employee whose hiring results in an increase in the number of individuals with disabilities employed by the employer at the end of the preceding tax year.

If enacted, SB 2331 will not have a fiscal impact for the 2011-13 biennium. Assuming an employer hires an eligible employee in the 2011 tax year, the first tax year in which the new credit may be claimed by the employer will be the 2013 tax year.

**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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