

FISCAL NOTE
Requested by Legislative Council
01/16/2017

Bill/Resolution No.: HB 1349

- 1 A. **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.*

	2015-2017 Biennium		2017-2019 Biennium		2019-2021 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

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

	2015-2017 Biennium	2017-2019 Biennium	2019-2021 Biennium
Counties			
Cities			
School Districts			
Townships			

- 2 A. **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 1349 creates a new income tax deduction for individuals and corporations.

- 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.*

HB 1349 creates an income tax deduction equal to the amount of depreciation on equipment used for pipeline leak protection, monitoring, and detection, as calculated under the modified accelerated cost recovery system. The modified accelerated cost recovery system is the name of the current depreciation system under federal income tax law. As written it is understood that the amount of this deduction would be equal to the amount of depreciation claimed on the taxpayer's federal income tax return, effectively allowing a double deduction of the same amount. In addition the deduction would be allowed regardless of the location of the equipment inside or outside North Dakota.

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.*

If enacted, HB 1349 may reduce state general fund revenues in the 2017-19 biennium. The amount of the reduction, if any, cannot be determined.

- 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 or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

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