

FISCAL NOTE
Requested by Legislative Council
01/07/2019

Bill/Resolution No.: HB 1276

- 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.*

	2017-2019 Biennium		2019-2021 Biennium		2021-2023 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues			\$(154,500)			
Expenditures						
Appropriations						

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

	2017-2019 Biennium	2019-2021 Biennium	2021-2023 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 1276 creates a new income tax credit for individuals who suffer a stillbirth.

- 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 the bill allows an income tax credit to an individual who suffers a stillbirth, for which a fetal death record has been filed with the North Dakota Health Department's Division of Vital Records.

Section 3 of the bill provides for retroactive application of the credit, making it available for tax years 2018 and after.

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.*

The provisions of the bill allow an income tax credit equal to \$2,000 for a stillbirth occurring during the tax year, starting with the 2018 tax year. Beginning with the 2019 tax year, the \$2,000 credit amount must be adjusted annually for inflation using the consumer price index for urban consumers in the Midwest region, as determined by the U.S. Department of Labor.

Based on statistics from the North Dakota Division of Vital Records, the number of stillbirths for the years 2009 through 2017 ranged from 44 to 75 per year. The maximum tax credit allowed for each stillbirth in a tax year is \$2,000; however, most individuals have a tax liability less than \$2,000.

If enacted, HB 1276 is expected to reduce state general fund revenues by an estimated amount between \$114,000 and \$195,000 for the 2019-21 biennium. The midpoint of this range is -\$154,500, as shown above in 1A.

- 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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