

FISCAL NOTE
Requested by Legislative Council
01/14/2021

Bill/Resolution No.: SB 2200

- 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.*

	2019-2021 Biennium		2021-2023 Biennium		2023-2025 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.*

	2019-2021 Biennium	2021-2023 Biennium	2023-2025 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).*

SB 2200 requires changes made to facilitate the reporting and paying of use tax on an individual's state income tax return.

- 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 2200 requires the tax commissioner to add a line to the individual income tax return on which a taxpayer can report the use tax due on purchases made out of state for use in the state. The bill requires a separate accounting of the use tax due and remitted with the income tax return.

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.*

It is not known how much use tax would be remitted through the change to the individual income tax return required in SB 2200 if it is enacted. The US Supreme Court decision in "SD v. Wayfair, Inc." requires most businesses to charge and remit the appropriate state and local sales and use taxes on remote purchases made by North Dakotans; any additional amount that may be due and possibly collected through this income tax change is unknown.

- 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.*

There will be some administrative costs associated with adding this use tax feature to the state individual income tax return.

- 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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