

Fiscal impact of tax credit bill (HB 1515)

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Good afternoon Rep. Koppelman,

A tax credit of \$350 for single filers, and \$700 for married joint filers would have approximately the same fiscal impact as a tax credit of \$500 per return, for all filing statuses. The \$350/\$700 credit is estimated to cost \$211 million, while the \$500 for all filers is estimated at \$207 million for the biennium.

Subsection 3 of NDCC Section 57-38-30.3 requires the same filing status on the state return that a taxpayer uses on their federal return. In most cases, separating a federal return for a married couple would not be advantageous and may require additional tax preparation costs. Also, please note that there would be administrative hurdles for this office if the legislature simply removed the aforementioned section.

Please contact our office with any additional questions you may have regarding this bill or any other tax issue.

Kathy

Kathryn Strombeck

Director, Research and Communications

NORTH DAKOTA OFFICE OF STATE TAX COMMISSIONER

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