

FISCAL NOTE
HOUSE BILL NO. 1118
LC# 23.0399.01000
01/09/2023

1 - 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.

	2021-2023 Biennium		2023-2025 Biennium		2025-2027 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues			\$(362,800,000)			
Expenditures						
Appropriations						

2 - County, City, School District, and Township Fiscal Effect

Identify the fiscal effect on the appropriate political subdivision.

	2021-2023 Biennium	2023-2025 Biennium	2025-2027 Biennium
Counties			
Cities			
School Districts			
Townships			

3 - 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 1118 provides an individual income tax credit for state resident taxpayers, effective for tax years 2023 and 2024.

4 - Fiscal Impact Sections Detail

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.

The bill provides an individual income tax credit equal to a North Dakota resident taxpayer's net tax liability, up to a maximum of \$750 for single, married filing separately, and head of household taxpayers, or up to \$1500 for married taxpayers filing jointly. The credit cannot be claimed as a carryback or carryforward credit.

There is an additional "qualifying widow(er) filing status that is not listed on the bill. These filers use the same tax bracket as married filing joint.

5 - Revenues Detail

For information shown under state fiscal effect in 1 or 2, please 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 1118 is expected to reduce the state general fund revenue by an estimated \$362.8 million in the 2023-2025 biennium.

HB 1118 as introduced, does not include qualifying widow(er) filers. If qualifying widow(er) filers are also eligible for the credit, then HB 1118 is expected to reduce the state general fund revenue by an estimated \$362.9 million in the 2023-2025 biennium.

The amounts are based in part on forecasted economic growth. If significant changes are made to the forecasted economic growth, then the estimated fiscal impact could also change.

6 - Expenditures Detail

For information shown under state fiscal effect in 1 or 2, please explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.

7 - Appropriations Detail

For information shown under state fiscal effect in 1 or 2, please 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.

Contact Information

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Date Prepared: 01/06/2023

BracketLevel	FilingStatus	Lower	Upper	OriginalTaxRate	UpdatedTaxRate	OriginalBaseTax	UpdatedBaseTax	ReturnCount	OriginalNetTaxLiability	UpdatedNetTaxLiability	DifferenceInNetTaxLiability	OriginalNetTaxLiability
1	1	0	44725	0.011	0.011	0	0	158622	22,122,406	1,695,343	(20,427,063)	22,122,406
2	1	44725	108325	0.0204	0.0204	491.98	491.975	45190	34,827,919	10,774,133	(24,053,786)	34,827,919
3	1	108325	225975	0.0227	0.0227	1789.42	1789.415	9466	17,095,332	12,872,476	(4,222,856)	17,095,332
4	1	225975	491350	0.0264	0.0264	4460.08	4460.07	2774	10,353,903	9,462,776	(891,127)	10,353,903
5	1	491350	1E+12	0.029	0.029	11465.98	11465.97	1926	33,256,645	32,901,137	(355,508)	33,256,645
1	2	0	74750	0.011	0.011	0	0	85868	23,676,776	1,715,841	(21,960,935)	23,676,776
2	2	74750	180550	0.0204	0.0204	822.25	822.25	71034	90,971,052	20,848,861	(70,122,191)	90,971,052
3	2	180550	275100	0.0227	0.0227	2980.57	2980.57	15737	40,363,280	25,445,546	(14,917,734)	40,363,280
4	2	275100	491350	0.0264	0.0264	5126.86	5126.855	10185	40,735,402	32,956,181	(7,779,221)	40,735,402
5	2	491350	1E+12	0.029	0.029	10835.86	10835.855	11841	131,805,945	126,843,358	(4,962,587)	131,805,945
1	3	0	37375	0.011	0.011	0	0	4417	671,751	73,074	(598,677)	671,751
2	3	37375	90275	0.0204	0.0204	411.13	411.125	2761	1,924,708	453,736	(1,470,972)	1,924,708
3	3	90275	137550	0.0227	0.0227	1490.29	1490.285	553	857,499	563,800	(293,699)	857,499
4	3	137550	245675	0.0264	0.0264	2563.43	2563.4275	268	637,345	528,594	(108,751)	637,345
5	3	245675	1E+12	0.029	0.029	5417.93	5417.9275	369	12,041,338	11,998,587	(42,751)	12,041,338
1	4	0	59950	0.011	0.011	0	0	30652	5,720,063	312,507	(5,407,556)	5,720,063
2	4	59950	154750	0.0204	0.0204	659.45	659.45	5136	5,303,319	2,336,790	(2,966,529)	5,303,319
3	4	154750	250550	0.0227	0.0227	2593.37	2593.37	528	1,306,772	1,057,089	(249,683)	1,306,772
4	4	250550	491350	0.0264	0.0264	4768.03	4768.03	248	971,281	882,031	(89,250)	971,281
5	4	491350	1E+12	0.029	0.029	11125.15	11125.15	249	2,540,279	2,493,779	(46,500)	2,540,279
1	5	0	74750	0.011	0.011	0	0	175	34,058	3,106	(30,952)	34,058
2	5	74750	180550	0.0204	0.0204	822.25	822.25	35	33,595	20,139	(13,456)	33,595
3	5	180550	275100	0.0227	0.0227	2980.57	2980.57	10	27,720	23,220	(4,500)	27,720
4	5	275100	491350	0.0264	0.0264	5126.86	5126.855	6	30,528	27,528	(3,000)	30,528
5	5	491350	1E+12	0.029	0.029	10835.86	10835.855	8	44,328	41,328	(3,000)	44,328
									477,353,244	296,330,960	(181,022,284)	477,353,244

BracketLevel	FilingStatus	Lower	Upper	OriginalTaxRate	UpdatedTaxRate	OriginalBaseTax	UpdatedBaseTax	ReturnCount	OriginalNetTaxLiability	UpdatedNetTaxLiability	DifferenceInNetTaxLiability	OriginalNetTaxLiability
1	1	0	44725	0.011	0.011	0	0	158109	22,052,960	1,693,067	(20,359,893)	
2	1	44725	108325	0.0204	0.0204	491.98	491.975	45543	35,201,954	10,909,123	(24,292,831)	
3	1	108325	225975	0.0227	0.0227	1789.42	1789.415	9589	17,375,713	13,081,246	(4,294,467)	
4	1	225975	491350	0.0264	0.0264	4460.08	4460.07	2795	10,468,050	9,567,684	(900,366)	
5	1	491350	1E+12	0.029	0.029	11465.98	11465.97	1942	33,601,533	33,242,276	(359,257)	
1	2	0	74750	0.011	0.011	0	0	85390	23,530,101	1,703,372	(21,826,729)	
2	2	74750	180550	0.0204	0.0204	822.25	822.25	71126	91,396,664	21,031,580	(70,365,084)	
3	2	180550	275100	0.0227	0.0227	2980.57	2980.57	15921	40,904,906	25,756,357	(15,148,549)	
4	2	275100	491350	0.0264	0.0264	5126.86	5126.855	10285	41,201,808	33,318,394	(7,883,414)	
5	2	491350	1E+12	0.029	0.029	10835.86	10835.855	11943	133,573,138	128,528,659	(5,044,479)	
1	3	0	37375	0.011	0.011	0	0	4395	667,950	73,134	(594,816)	
2	3	37375	90275	0.0204	0.0204	411.13	411.125	2779	1,947,438	463,363	(1,484,075)	
3	3	90275	137550	0.0227	0.0227	1490.29	1490.285	552	858,647	565,640	(293,007)	
4	3	137550	245675	0.0264	0.0264	2563.43	2563.4275	270	644,912	533,912	(111,000)	
5	3	245675	1E+12	0.029	0.029	5417.93	5417.9275	372	12,171,268	12,127,018	(44,250)	
1	4	0	59950	0.011	0.011	0	0	30592	5,725,409	312,442	(5,412,967)	
2	4	59950	154750	0.0204	0.0204	659.45	659.45	5184	5,375,401	2,374,533	(3,000,868)	
3	4	154750	250550	0.0227	0.0227	2593.37	2593.37	535	1,313,784	1,063,322	(250,462)	
4	4	250550	491350	0.0264	0.0264	4768.03	4768.03	253	1,004,244	911,244	(93,000)	
5	4	491350	1E+12	0.029	0.029	11125.15	11125.15	249	2,561,877	2,515,377	(46,500)	
1	5	0	74750	0.011	0.011	0	0	174	33,464	3,065	(30,399)	
2	5	74750	180550	0.0204	0.0204	822.25	822.25	36	34,772	20,555	(14,217)	
3	5	180550	275100	0.0227	0.0227	2980.57	2980.57	10	27,975	23,475	(4,500)	
4	5	275100	491350	0.0264	0.0264	5126.86	5126.855	6	30,806	27,806	(3,000)	
5	5	491350	1E+12	0.029	0.029	10835.86	10835.855	8	44,838	41,837	(3,001)	
									481,749,612	299,888,481	(181,861,131)	
									Tax Year 2024 w Widower		(181,861,131)	
									Tax Year 2023 w Widower		(181,022,284)	
									Biennium w Widower		(362,883,415)	
									Tax Year 2024 wo Widower		(181,806,014)	
									Tax Year 2023 wo Widower		(180,967,376)	
									Biennium wo Widower		(362,773,390)	