

(Prepare in triplicate)

FISCAL NOTE

Prepared in regard to:

House Bill No. 692

(list bill or resolution and number, if available, or subject)

Amendment to: _____

(list bill or resolution and number)

REQUESTED BY: LRC

DATE OF RECEIPT January 25 19 65

In the following space note the fiscal effect in dollars of the legislative proposal. If additional space is needed attach a supplementary sheet. Please type.

At the rate of 2½ per cent it is estimated that this bill will provide additional annual revenue in the amount of approximately \$580,000. This would mean about \$1,160,000 in the next biennium.

Attached is a schedule setting forth the details of the computation.

Date of preparation: January 26, 1965

Signed State Tax Commissioner

By Kenneth M. Jakes

ESTIMATED SALES TAX REVENUE FROM CASUAL SALES (TRANSFERS) OF USED MOTOR VEHICLES IF SUCH SALES WERE SUBJECT TO SALES TAX WITH NO ALLOWANCE FOR TRADE-INS ON SUCH SALES TAKEN INTO ACCOUNT.

(compiled 12-29-64)

Item	For Year	
	1961	1962
1 Number of New Motor Vehicle Registrations for Cars		27,059*
2 Multiply by Dealer's Ratio of Used Motor Vehicles Sold		x 1.45**
3 Estimated Number of Used Motor Vehicles Sold by Dealers in North Dakota (on which sales tax is assumed to have been paid)	33,449	39,236
4 Number of Used Motor Vehicle Registration Transfers	64,784***	69,480***
5 Number of Used Motor Vehicle Transfers Estimated to be Casual Transfers and Not Now Subject to Sales Tax (Difference Between Items 3 & 4)	31,335	30,244
6 Multiply by National Average Sales Price of Used Cars (Trucks, etc., not used in computing this average)	x \$8810**	x \$8880**
7 Estimated Total Sales Price of Casual Sales of Used Motor Vehicles	\$25,351,350	\$26,647,720
8 Multiply by Sales Tax Rate	x .0225	x .0225
9 Estimated Sales Tax Revenue From Casual Used Motor Vehicle Sales (Transfers) Computed without any Trade-in Allowances that May Have Been Made	\$571,080.38	\$598,831.20
10 Average of 1961 and 1962:	\$571,080.38 + 598,831.20 =	\$584,955.79

* 1964 Automobile Facts & Figures, page 17
 ** 1964 Automobile Facts & Figures, page 61
 *** North Dakota Motor Vehicle Department
 ** 1964 Automobile Facts & Figures, page 15

NOTE: Some Adjustment Should be Made For:
 1. Used Car to New Car Ratio in Item 2 was Applied to All Used Motor Vehicles (Trucks, Cars, etc.)
 2. Used Car Average Sales Price in Item 6 was Applied to All Used Motor Vehicles (Trucks, Cars, etc.)
 3. Sales Tax on Casual Sales of Used Motor Vehicles is Based on Full Value with NO Adjustment for Trade-in Allowances.