

(Prepare in triplicate)

FISCAL NOTE

Prepared in regard to:

SB 354
(list bill or resolution and number, if available, or subject)

Amendment to: _____
(list bill or resolution and number)

REQUESTED BY: L.R.C. DATE OF RECEIPT 1-28 1969

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.

SEE ATTACHED SCHEDULE

Date of preparation: 1-28-69

Signed *A. R. Hausauer*

By: A. R. Hausauer
State Tax Department

FISCAL NOTE TO SB 354

Repeal of domestic dividend exclusion for both individuals and corporations.

Due to conversion in Central Data Processing, source material on 1967 returns is not available at this date.

During the 1967 Legislative session a fiscal note was attached to HB 620 which stated that an increase in General fund revenue for the 1967-1969 biennium would amount to \$1,236,000 if the domestic dividend exclusion were repealed as to individual returns. No figures were available at that time as to corporations.

A computer profile of the typical North Dakota taxpayer released on January 18, 1967 by the tax department indicated in the concluding paragraph that the domestic dividend exemption benefited North Dakota residents by \$624,128 annually.

Although the raw data from which this statement was made is now no longer available, the computer study related to 1965 income tax returns filed in 1966. A copy of the statement is attached.

TAX DEPARTMENT
"Computer Study"
January 18, 1967

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FOR IMMEDIATE RELEASE:

Tax Commissioner Edwin Sjvaestad reported today that a computer profile of the typical North Dakota individual income taxpayer indicates that he is married, has slightly more than 3 dependents, and paid an average tax of \$59.49 on his 1965 income.

The computer study of 194,032 individual income tax returns disclosed that 465 North Dakota residents had 1965 income exceeding \$10,000 but paid no state income tax.

\$3,828,000 of exempt domestic corporation dividends were received by 2203 North Dakota residents. The computer study disclosed that this exemption benefitted these taxpayers by \$624,118. Over \$593,000 of this benefit went to taxpayers having income exceeding \$10,000 per year.

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