



Senate Bill 85:

We believe the sponsor of this bill may have intended the additional \$400 exemption to apply only with respect to those dependents who are college students and who otherwise meet the Federal Internal Revenue Code Definition of full time students. The bill as drafted, however, applies to all dependents who are students, whether in primary (grade) schools, secondary (high) schools, preparatory schools, normal schools, colleges, universities, or technical or mechanical schools.

If the bill is intended to apply to all students (rather than only to college students) who are dependents of their parents, it then would be necessary, if possible to determine how many of the estimated total number of students in the following schedule are dependents on the returns of those who actually pay an income tax:

Primary and secondary enrollment (est.)	154,800
North Dakota residents enrolled in North Dakota public and private colleges (est.)	20,300
North Dakota resident college students enrolled outside of North Dakota	(Unknown)
North Dakota residents who are students in a trade school or commercial college either within or outside North Dakota	(Unknown)

There is no available information from which an estimate of loss of income tax revenue can be made from the above enrollment figures because we do not know how many of those students are dependents of income tax filers who are now paying an income tax and therefore would receive an income tax reduction on their returns from the additional \$400 exemption.

Similarly, if this bill is intended to relate only to collect students, there is no information on which to base an estimate of how many of the college students are dependents of their parents and how many of those parents are now income tax payers who would benefit by this additional exemption.