

(Please type in triplicate)

FISCAL NOTE

Prepared in regard to:

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

Amendment to:

House Bill 1177

(List bill or resolution and number)

Requested by:

House Finance and Taxation
Committee

Date of receipt:

February 10, 1981

In the following space note the fiscal effect in dollars of the legislative proposal:

Narrative:

If House Bill 1177 is enacted as amended the estimated fiscal effect would be a revenue loss to the state's general fund as follows:

Section 1. (Provision in original House Bill 1177)
\$6,400,000 in FY-81 and the 81-83 biennium.

Because the provisions of House Bill 1177 were recommended by Governor Link, the revenue forecasts for fiscal year 1981, and the 1981-83 biennium have been adjusted accordingly.

Section 2. (Amendment to House Bill 1177) \$800,000 to \$1,200,000.

By allowing the windfall profit tax as a deduction for corporations for years beginning on or after January 1, 1980 (limited to \$1,000,000) the net fiscal impact on the Executive Budget will be from \$800,000 to \$1,200,000 for the fiscal year 1981 and the 81-83 biennium, however, the fiscal impact for fiscal year 1981 will be minimal because of lag time in filing 1980 returns.

Fiscal Effect:

<u>1981-82</u>		<u>1982-83</u>		<u>Total Biennium</u>	
<u>Special Funds</u>	<u>General Fund</u>	<u>Special Funds</u>	<u>General Fund</u>	<u>Special Funds</u>	<u>General Fund</u>
	-\$200,000		-\$600,000		-\$800,000
	to		to		to
	-\$300,000		-\$900,000		-\$1,200,000

Signed

C.W. Cudworth

Typed Name

C.W. Cudworth

Date Prepared:

February 11, 1981

Department

Tax

If additional space is needed, attach a supplementary sheet.

FAAS

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1177

On page 1, line 2, following the section number "57-38-01" insert the words ", and one new subdivision to subsection 1 of section 57-38-01.3"

On page 1, line 4, delete the word "and" where it first appears, and following the word "trusts," insert the words "and corporations"

On page 1, line 11, delete the word "and", and following the word "trusts," insert the words "and corporations"

On page 1, line 15, following the numerals "1980" insert the words "; provided that the deduction for a corporation shall not exceed the amount provided in section 2 of this Act"

On page 1, following line 22, insert the following new section:

→ Change to Section 2.

SECTION 3. A new subdivision to subsection 1 of section 57-38-01.3 of the 1979 Supplement is hereby created and enacted to read as follows:

Review
Art

Number of
provisions

Increased by the amount of crude oil windfall profit tax enacted as Public Law No. 96-223 [94 Stat. 229], which exceeds the sum of one million dollars."

On page 1, line 23, delete the numeral "2" and insert in lieu thereof the numeral "3"

And renumber the lines and sections accordingly