

(Please type in triplicate)

FISCAL NOTE

Prepared in regard to:

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

Amendment to: Engrossed Senate Bill 2347 (Attached)

(List bill or resolution and number)

Requested by: \_\_\_\_\_ Date of receipt: March 23, 1981

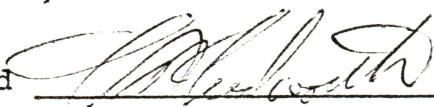
In the following space note the fiscal effect in dollars of the legislative proposal:

Narrative:

If Senate Bill 2347 is enacted as amended (see attached amendments dated 3/18/81) with an effective date on all taxable income for years beginning on or after January 1, 1981, the estimated fiscal effect for the 1981-83 biennium would be a revenue loss to the state's general fund of \$35,000,000 to \$36,000,000.

Fiscal Effect:

1981-82		1982-83		Total Biennium	
<u>Special Funds</u>	<u>General Fund</u>	<u>Special Funds</u>	<u>General Fund</u>	<u>Special Funds</u>	<u>General Fund</u>
	-\$11,500,000		-\$23,500,000		-\$35,000,000
	to		to		to
	-\$11,900,000		-\$24,100,000		-\$36,000,000

Signed   
Typed Name C.W. Cudworth

Date Prepared: March 23, 1981 Department Tax

If additional space is needed, attach a supplementary sheet.

HAB

Adopted by:  
House Finance & Tax Committee  
Monday 3/23/81

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2347

On page 1 of the engrossed bill, line 1, after the words "A BILL" delete the remainder of the bill and insert in lieu thereof the following: "for an Act to amend and reenact subsection 21 of section 57-38-01 and section 57-38-30 of the North Dakota Century Code, relating to the updating of the definition of federal taxable income for individuals, estates, trusts, and corporations, and to corporation income tax rates; and to provide an effective date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE STATE OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Subsection 21 of section 57-38-01 of the 1979 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

21. "Federal Internal Revenue Code of 1954, as amended", "United States Internal Revenue Code of 1954, as amended", and "Internal Revenue Code of 1954, as amended", mean the United States Internal Revenue Code of 1954, as amended to and including December 31, 1978; provided, however, that these terms shall mean the United States Internal Revenue Code of 1954, as amended to and including December 31, 1976, for purposes of determining under this chapter the income tax return filing requirements, deductions for capital gains, allowances of deductions for personal exemptions, low income allowance, and standard deduction for individuals, estates, and trusts, and provided further that the provisions of section 515 of the Revenue Act of 1978 [Pub. L. 95-600, 92 Stat. 2884] postponing the carryover basis rules of sections 1014(d), 1016(a), and 1023 of the United States Internal Revenue Code of 1954, as amended, for property acquired from decedents dying after December 31, 1976, to property acquired from decedents dying after December 31, 1979, are hereby retroactively incorporated for the purposes of this chapter, and any further postponement, modification, or

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~~repeal of these provisions by the Congress of the United States shall be applicable for the purposes of this chapter 1980.~~

SECTION 2. AMENDMENT. Section 57-38-30 of the 1979 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

57-38-30. IMPOSITION AND RATE OF TAX ON CORPORATIONS. A tax is hereby imposed upon the taxable income of every domestic and foreign corporation received from the sources described in sections 57-38-12, 57-38-13, and 57-38-14, which shall be levied, collected, and paid annually as in this chapter provided, and which shall be computed at the following rates:

1. For the first three thousand dollars of taxable income, at the rate of ~~three~~ two percent.
2. On all taxable income above three thousand dollars and not in excess of eight thousand dollars, at the rate of ~~four~~ three percent.
3. On all taxable income above eight thousand dollars and not in excess of ~~fifteen~~ twenty thousand dollars, at the rate of ~~five~~ four percent.
4. On all taxable income above ~~fifteen~~ twenty thousand dollars, and not in excess of ~~twenty-five~~ thirty thousand dollars, at the rate of ~~six~~ five percent.
5. On all taxable income above thirty thousand dollars, and not in excess of fifty thousand dollars, at the rate of six percent.
6. On all taxable income above ~~twenty-five~~ fifty thousand dollars, at the rate of ~~eight-and one-half~~ seven percent.

SECTION 3. EFFECTIVE DATE. The provisions of this Act shall be effective for all taxable years beginning on or after January 1, 1981."

And renumber the lines and pages accordingly