

(Return in triplicate)

FISCAL NOTE

Bill/Resolution No.: 1518

Amendment to: _____

Requested by: Legislative Council

Date of Receipt: January 22, 1983

Please estimate the fiscal impact of the above measure for:

State general or special funds Counties Cities

In the following space note the fiscal effect in dollars of this measure:

Narrative: Aircraft are presently taxed by the State Tax Department under a sales and use tax law in which all casual sales of new or used aircraft between private persons are exempt of all North Dakota sales and use taxes, regardless of whether the aircraft was purchased in or outside of North Dakota. In the most recent year, according to Aeronautics Commission registration records, there were 275 sales of new or used aircraft in the state in which 80% of these transactions were exempt of all state sales and use taxes because of the casual transaction exemption.

House Bill 1518 eliminates casual sales tax exemptions and requires the Aeronautics Commission to collect a one-time excise tax with no trade-in allowance, on the sale or use of aircraft, at the time the aircraft is registered with the commission.

Once the aircraft excise tax is collected from the purchaser on the sales price of the aircraft with no trade-in allowance, the aircraft is exempt from additional excise taxes in the state in future sales of the aircraft. This aircraft excise tax law is patterned after a similar law in South Dakota.

Ultralight Vehicles will be taxed for the first time under House Bill 1518.

State Fiscal Effect:

<u>1983-84</u>		<u>1984-85</u>		<u>Biennium Total</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		\$ 259,000		\$ 459,000

County and City Fiscal Effect:

<u>1983-84</u>		<u>1984-85</u>		<u>Biennium Total</u>	
<u>Counties</u>	<u>Cities</u>	<u>Counties</u>	<u>Cities</u>	<u>Counties</u>	<u>Cities</u>

If additional space is needed, attach a supplemental sheet.

Date prepared: January 28, 1983

Signed Harold G. Vavra

Typed Name Harold G. Vavra, Director

Department North Dakota Aeronautics Commission