

Bill/Resolution No.: _____ Amendment to: Engrossed HB 1605

Requested by: Legislative Council Date of Receipt: 4-20-83

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:

If Engrossed HB 1605 is amended according to the attached amendments, there would be no revenue effect on the State General fund in the 1983-85 biennium.

State Fiscal Effect:

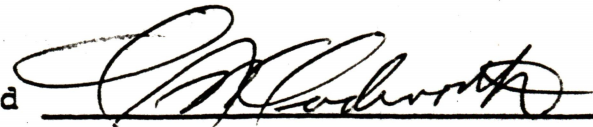
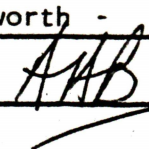
<u>1983-84</u>		<u>1984-85</u>		<u>Biennium Total</u>	
<u>Special Funds</u>	<u>General Fund</u>	<u>Special Funds</u>	<u>General Fund</u>	<u>Special Funds</u>	<u>General Fund</u>

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: 4-20-83

Signed 
 Typed Name C. William Cudworth
 Department TAX 

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1605

That the Senate Recede from its amendments and that engrossed House Bill No. 1605 be further amended as follows:

On page 1 of the engrossed bill, line 14, overstrike the words "December 31" and insert immediately thereafter the words "March 11", and delete the numeral "1982" and insert in lieu thereof the words "1983, and shall be effective for all taxable years beginning after December 31, 1982"

On page 1 of the engrossed bill, line 27, after the word "adopted" insert immediately thereafter the words "in those instances where the minimum investment by the lessor is less than one hundred percent"

On page 2 of the engrossed bill, line 5, delete the words "failure to adopt" and insert in lieu thereof the words "adoption or nonadoption of"

On page 2 of the engrossed bill, delete lines 9 through 25 and insert in lieu thereof the following new subdivisions:

"c. Except that the deductions provided by the cost recovery provisions enacted as section 168 of the Internal Revenue Code, other than subsection (f) (8), cannot exceed seventy-five percent for the first taxable year beginning after December 31, 1982, and cannot exceed eighty-five percent for each of the next two taxable years beginning after December 31, 1983, for the purpose of computing North Dakota taxable income by individuals, estates, trusts, and corporations. Therefore, for the taxable year beginning after December 31, 1982, federal taxable income must be increased by twenty-five percent of any ACRS depreciation deducted in that taxable year for federal income tax purposes, and for each of the next two taxable years beginning after December 31, 1983, federal taxable income must be increased by fifteen percent of any ACRS depreciation deducted in each of the respective taxable years for federal income tax purposes. Provided, that one-half of the amount not allowed as a deduction for the taxable year beginning after December 31, 1982, may be deducted in each of the

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next two taxable years beginning after December 31, 1985, and one-half of the amount not allowed as a deduction for the taxable year beginning after December 31, 1983, may be deducted in each of the next two years beginning after December 31, 1987, and one-half of the amount not allowed as a deduction for the taxable year beginning after December 31, 1984, may be deducted in each of the next two taxable years beginning after December 31, 1989. All such adjustments must be made before computing income subject to apportionment.

- d. Provided that the depreciation adjustments allowed in subsection c above shall be limited to those eligible assets acquired during taxable years beginning after December 31, 1982. Acquisitions made before taxable years beginning January 1, 1983 must be depreciated pursuant to the methods permissible under Internal Revenue Code provisions in effect prior to January 1, 1981."

And renumber the lines and pages accordingly