

(Return in triplicate)

FISCAL NOTE

Bill/Resolution No.: \_\_\_\_\_

Amendment to: Engrossed HB 1727

Requested by: Legislative Council

Date of Receipt: 3/29/83

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:

HB 1727, if enacted into law as amended (amendments attached), will increase revenues to the State General Fund approximately \$30,960,000, increase revenues to the School Aid Fund approximately \$6,840,000, increase revenues to the Oil Trust Fund approximately \$1,140,000, increase revenues to the Coal Impact Fund approximately \$1,500,000, increase revenues to the Coal Trust Fund approximately \$640,000, and increase revenues to the counties and their political subdivisions approximately \$4,400,000 for the 1983-85 biennium. This note assumes two months advanced collections to the counties. In practice it may be difficult to distribute these revenues before the end of the quarter.

The above note does not include approximately \$157,517 in administrative costs.

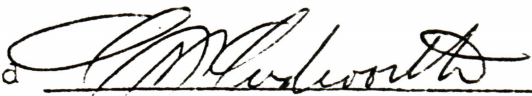
State Fiscal Effect:

<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>
+\$7,180,000 (School Aid)	+\$13,680,000	-\$340,000 (School Aid)	+\$17,280,000	+\$6,840,000 (School Aid)	+\$30,960,000
+\$1,200,000 (Oil Trust)		-\$ 60,000 (Oil Trust)		+\$1,140,000 (Oil Trust)	
+\$1,130,000 (Coal Impact)		+\$370,000 (Coal Impact)		+\$1,500,000 (Coal Impact)	
+\$ 480,000 (Coal Trust)		+\$160,000 (Coal Trust)		+\$ 640,000 (Coal Trust)	

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>
+\$2,940,000		+\$1,460,000		+\$4,400,000	

If additional space is needed, attach a supplemental sheet.

Signed 

Typed Name C. W. Cudworth

Department Tax 

Date prepared: 3/30/83

Engrossed House Bill 1727 - Fiscal Information  
 Proposed Senate Amendments - March 25, 1983  
 All Figures are Estimations for 1983-85 Biennium

Sections 1, 2 and 4

Sales and Use Taxes (3% and 4% effective April 1, 1983)  
 Provides for monthly filing of 70% of estimated sales and use taxes from all taxpayers with a sales and use tax liability of \$10,000 or more from the prior calendar year.

Positive revenue effect due to monthly collections:  
 State General Fund \$15,280,000 (May & June 1985 only)

Sections 3 and 5

Provides for 2% reimbursement for taxpayers required to file monthly estimated payments up to a maximum of \$200 per month.

Negative effect due to taxpayer reimbursement:  
 State General Fund -\$250,000 (May and June 1985 only)

Sections 6, 7 and 8

Oil and Gas Gross Production and Oil Extraction Taxes.  
 Provides for monthly collections of oil and gas taxes.

Positive revenue effect due to total monthly collections:

	Total	Gross Prod.	Oil Extraction
State General Fund	\$11,690,000	\$8,270,000	\$3,420,000
School Aid Fund	6,840,000		6,840,000
Trust Fund	1,140,000		1,140,000
Counties	1,960,000	1,960,000	

Sections 9 and 10

Coal Conversion Taxes  
 Provides for monthly collections of all coal conversion taxes.

Positive revenue effect from monthly collections:  
 State General Fund \$2,950,000  
 Counties 1,580,000

Sections 11, 12 and 13

Coal Severance Taxes  
 Provides for monthly collections of coal severance taxes.

Positive revenue effect due to monthly filing:  
 State General Fund \$1,290,000  
 Coal Impact Fund 1,500,000  
 Trust Fund 640,000  
 Counties 860,000

Section 14

Repeals definition of "quarter" and "monthly" in gross production tax law and repeals the yearly filing provisions for coal gasification plants.

No revenue effect.

Section 15

Sales and Use Taxes

Provides that Sections 1-5 are effective only for taxes accruing April 1, 1985, through June 30, 1985.

Summary

State General Fund	+ \$30,960,000
School Aid Fund	+ 6,840,000
Oil Trust Fund	+ 1,140,000
Coal Impact Office	+ 1,500,000
Coal Trust Fund	+ 640,000
Counties	+ 4,400,000
Administrative Costs	- \$ 157,517

## PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1727

In lieu of the amendments to engrossed House Bill No. 1727 adopted by the Senate as found on pages 1627-1629 of the Senate Journal, engrossed House Bill No. 1727 is amended as follows:

On page 1 of the engrossed bill, line 1, after the word "to" insert the words "create and enact a new section to chapter 57-39.2 and a new section to chapter 57-40.2 of the North Dakota Century Code, providing a deduction to reimburse retailers for administrative expenses in connection with collection and payment of sales and use taxes; to"

On page 1 of the engrossed bill, line 8, delete the words "to provide an" and insert in lieu thereof the words "and to provide an effective date and an expiration date."

On page 1 of the engrossed bill, delete line 9

On page 2 of the engrossed bill, line 32, delete the word "twentieth" and insert in lieu thereof the word "twenty-second"

On page 2 of the engrossed bill, line 33, delete the word "ninety" and insert in lieu thereof the word "seventy"

On page 3 of the engrossed bill, line 9, delete the word "ninety" and insert in lieu thereof the word "seventy"

On page 3 of the engrossed bill, line 12, delete the word "ninety" and insert in lieu thereof the word "seventy"

On page 3 of the engrossed bill, line 19, delete the word "ninety" and insert in lieu thereof the word "seventy"

On page 3 of the engrossed bill, line 22, delete the word "four" and insert in lieu thereof the word "ten"

On page 3 of the engrossed bill, after line 30, insert the following new section:

"SECTION 3. A new section to chapter 57-39.2 of the North Dakota Century Code is hereby created and enacted to read as follows:

Deduction to reimburse retailer for administrative expenses.

1. A retailer who files the monthly return required by section 57-39.2-12 and pays the tax due on the return within the time limitations prescribed by this chapter may deduct and retain two percent of the tax due on the return.
2. The aggregate of deductions allowed by this section and section 5 of this Act may not exceed two hundred dollars per month for each business location which has been issued a sales tax permit by the commissioner.
3. The deduction allowed retailers by this section is to reimburse retailers for expenses incurred in keeping records, preparing and filing returns, remitting the tax, and supplying information to the commissioner upon request."

On page 6 of the engrossed bill, line 28, delete the word "four" and insert in lieu thereof the word "ten"

On page 6 of the engrossed bill, line 30, delete the word "twentieth" and insert in lieu thereof the word "twenty-second"

On page 7 of the engrossed bill, line 6, delete the word "four" and insert in lieu thereof the word "ten"

On page 7 of the engrossed bill, after line 31, insert the following new section:

"SECTION 5. A new section to chapter 57-40.2 of the North Dakota Century Code is hereby created and enacted to read as follows:

Deduction to reimburse retailer for administrative expenses.

1. A retailer who pays the tax due and files the monthly return required by section 57-40.2-07 within the time limitations prescribed may deduct and retain two percent of the tax due on the return.
2. The aggregate of deductions allowed by this section and section 3 of this Act may not exceed two hundred dollars per month for each business location which has been issued a sales tax permit by the commissioner.

3. The deduction allowed retailers by this section is to reimburse retailers for expenses incurred in keeping records, preparing and filing returns, remitting the tax, and supplying information to the commissioner upon request."

On page 8 of the engrossed bill, line 15, after the period insert the following new sentence: "The penalty does not apply if ninety-five percent of the tax due has been paid with the monthly return and the taxpayer files an amended monthly return and pays the total tax due within sixty days from the original due date."

On page 15 of the engrossed bill, delete lines 1 through 9 and insert in lieu thereof the following new section:

"SECTION 15. EFFECTIVE DATE - EXPIRATION DATE. Sections 1 through 5 of this Act are effective only for taxes accruing from April 1, 1985, through June 30, 1985, and are ineffective for taxes accruing after June 30, 1985. The provisions of sections 57-39.2-11, 57-39.2-12, and 57-40.2-07 as they existed on March 31, 1985, shall be in effect for taxes accruing after June 30, 1985."

And renumber the lines, sections, and pages accordingly