

(Return in triplicate)

FISCAL NOTE

Bill/Resolution No.: _____

Amendment to: Engrossed HB 1727

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:

HB 1727, if enacted into law as amended (amendments attached), will increase revenues to the State General Fund approximately \$34,750,000, 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.

State Fiscal Effect:

1983-84		1984-85		Biennium Total	
Special Funds	General Fund	Special Funds	General Fund	Special Funds	General Fund
+\$7,180,000 (School Aid)	+\$32,950,000	-\$340,000 (School Aid)	+\$1,800,000	+\$6,840,000 (School Aid)	+\$34,750,000
+\$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:

1983-84		1984-85		Biennium Total	
Counties	Cities	Counties	Cities	Counties	Cities
+\$2,940,000		+\$1,460,000		+\$4,400,000	

additional space is needed, attach a supplemental sheet.

Signed C. William Cudworth
Typed Name C. W. Cudworth *WC*

Department Tax

Date prepared: 4/20/83

AAB
RS.

Engrossed House Bill 1727 - Fiscal Information
Proposed Amendments - April 20, 1983
All Figures are Estimations for 1983-85 Biennium

Sections 1, 2 and 4

Sales and Use Taxes

Provides for monthly filing of 95% of estimated sales and use taxes from all taxpayers with a taxable sales of \$333,000 or more from the prior calendar year.

Positive revenue effect due to monthly collections:

State General Fund \$20,740,000

Sections 3 and 5

Provides for 1½% reimbursement for taxpayers required to file monthly estimated payments up to a maximum of \$250 per quarter.

Negative effect due to taxpayer reimbursement:

State General Fund -\$2,550,000

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	

(This note assumes 100% collection of oil and gas taxes. The 90% provision is not for estimated payments, but is only to protect the taxpayer from penalty for inadvertent errors of less than 10% which are corrected within sixty days.)

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 3,580,000
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.

Summary

State General Fund	+ 34,750,000
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

Revised April 20, 1983

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1727

That the Senate recede from its amendments and that engrossed House Bill No. 1727 be further 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 ", relating to a definition of calendar quarter and to payment of coal facilities privilege tax by plants not electrical generating plants."

On page 1 of the engrossed bill, delete line 9

On page 2 of the engrossed bill, line 27, after the word "total" insert the words "sales subject to", and delete the words "paid or"

On page 2 of the engrossed bill, line 28, delete the words "required to be paid", and delete the words "by a"

On page 2 of the engrossed bill, line 29, delete the word "retailer"

On page 2 of the engrossed bill, line 30, delete the word "ten" and insert in lieu thereof the words "three hundred thirty-three"

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 "ninety-five"

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

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

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

On page 3 of the engrossed bill, line 21, after the second word "of" insert the words "sales subject to"

On page 3 of the engrossed bill, line 22, delete the word "four" and insert in lieu thereof the words "three hundred thirty-three"

On page 3 of the engrossed bill, line 23, delete the word "may" and insert in lieu thereof the word "shall"

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 pays the estimated tax due under section 57-39.2-12 within the time limitations prescribed may deduct and retain one and one-half percent of the tax due.
2. The aggregate of deductions allowed by this section and section 5 of this Act may not exceed two hundred fifty dollars per quarterly period for each business location which has been issued a sales or use 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.
4. The maximum deduction allowed ~~retailers~~ by this section is limited to ~~an amount~~ which the retailer could deduct ~~at the rate~~ provided in this section ~~under the rate~~ of sales and use taxes in effect on ~~June 30, 1983.~~"

On page 6 of the engrossed bill, line 26, after the word "sales" insert the words "and purchases subject to sales", and delete the words "paid or required to be paid"

On page 6 of the engrossed bill, line 27, delete the words "by any person"

On page 6 of the engrossed bill, line 28, delete the word "four" and insert in lieu thereof the words "three hundred thirty-three"

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 5, after the word "sales" insert the words "and purchases subject to sales", and delete the word "paid"

On page 7 of the engrossed bill, line 6, delete the word "four" and insert in lieu thereof the words "three hundred thirty-three"

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 estimated tax due under section 57-40.2-07 within the time limitations prescribed may deduct and retain one and one-half percent of the tax due.
2. The aggregate of deductions allowed by this section and section 3 of this Act may not exceed two hundred fifty dollars per quarterly period for each business location which has been issued a sales or use 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.
4. The maximum deduction allowed ~~retailers by this~~ section is limited to ~~an amount~~ which the retailer could deduct ~~at the~~ rate provided in this section under ~~the~~ rate of sales and use taxes in effect on ~~June 30, 1983.~~"

On page 8 of the engrossed bill, line 15, after the period insert the following new sentence: "The penalty does not apply if ninety 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 12 of the engrossed bill, line 17, overstrike the words "subsection 2"

On page 12 of the engrossed bill, line 18, overstrike the word
"of"

On page 15 of the engrossed bill, delete lines 1 through 9

And renumber the lines, sections, and pages accordingly