

(Return in triplicate)

FISCAL NOTE

Bill/Resolution No.: _____ Amendment to: House Bill No. 1195

Requested by: Legislative Council Date of Receipt: 1-19-87

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:

The amendment to HB 1195 establishes an April 1, 1987 effective date. In our opinion, this amendment will not change the original fiscal effect set out relative to HB 1195.

In other words, HB 1195 with January 14, 1987 amendments, may generate a positive fiscal effect in the 1987-89 biennium if:

- 1). The provisions of the bill withstand a likely court challenge, and/or
- 2). The U.S. Congress enacts legislation which will enable states to impose a sales tax on mail order or direct market sales.

In the event that North Dakota may impose a sales tax on mail order and direct marketing sales effective April 1, 1987, the potential positive fiscal effect would be between +8.4 million and +19.9 million to the State General Fund in the 1987-89 biennium.

Since North Dakota may not be granted authority to implement the provisions of HB 1195 with January 14, 1987 amendments, we recommend that the Legislative Council exclude this potential positive effect from the 1987-89 biennium State General Fund revenue projections.

State Fiscal Effect:

<u>1987-88</u>		<u>1988-89</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>1987-88</u>		<u>1988-89</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.

Signed 

Typed Name Kathryn L. Strombeck

Date Prepared: 1-19-87

Department Tax Department

AAB