

(Return in triplicate)

FISCAL NOTE

Bill/Resolution No.: HB 1049 Amendment to: \_\_\_\_\_

Requested by: Legislative Council Date of Receipt: 12-07-88

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 Tax Department is not able to determine the magnitude of the negative fiscal impact of HB 1049. This impact is solely dependent upon taxpayers' desires to invest in qualifying venture capital corporations.

State Fiscal Effect:

<u>1989-90</u>		<u>1990-91</u>		<u>Biennium Total</u>	
<u>General Fund</u>	<u>Special Funds</u>	<u>General Fund</u>	<u>Special Funds</u>	<u>General Fund</u>	<u>Special Funds</u>

County and City Fiscal Effect:

<u>1989-90</u>		<u>1990-91</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 *Kathryn L. Strombeck*

Typed Name Kathryn L. Strombeck

Date Prepared: 1-04-89

Department TAX *AAB*



STATE OF NORTH DAKOTA

**office of STATE TAX COMMISSIONER**

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M. K. Heidi Heitkamp  
COMMISSIONER

MEMORANDUM

TO: Legislative Council

FROM: Kathryn Strombeck, Research Analyst *KSS*

RE: Maximum Venture Capital Tax Credits (HB 1049)

DATE: January 14, 1989

The members of the House Finance and Taxation Committee have asked this office for information as to the maximum venture capital tax credits that could be claimed including the provisions of HB 1049.

The provisions of HB 1049 allow tax credits for venture capital corporation investments on both the short and long individual income tax returns, as well as corporation income tax returns. It also raises the maximum total investment in the Myron G. Nelson fund eligible for tax credits from \$5 million to \$10 million.

If it is assumed that the Bank of North Dakota will invest \$5 million of the allowable \$10 million in the Myron G. Nelson fund, there remains \$5 million for private investment.

The maximum combined tax credit that could be claimed during the 89-91 biennium due to investments in the Myron G. Nelson fund and other qualifying venture capital corporations, is \$2.5 million.