

FISCAL NOTE

(Return original and 10 copies)

Bill/Resolution No.: HB 1460 Amendment to: _____

Requested by Legislative Council Date of Request: 1-18-95

1. Please estimate the fiscal impact (in dollar amounts) of the above measure for state general or special funds, counties, and cities.

Narrative:

If enacted, HB 1460 is expected to increase revenues by +\$10,500,000 to +\$50,400,000 in the 1995-97 and 1997-99 biennia. According to Section 5 of the bill, 12% of these additional revenues would go to the State Aid Distribution Fund, 88% to the State General Fund (the attached schedule details the exemptions repealed in this bill).

2. State fiscal effect in dollar amounts:

	<u>1993-95</u> <u>Biennium</u>		<u>1995-97</u> <u>Biennium</u>		<u>1997-99</u> <u>Biennium</u>	
	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Funds</u>	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Funds</u>	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Funds</u>
Revenues:			+\$ 9,240,000	+\$1,260,000	+\$ 9,240,000	+\$1,260,000
			to	to	to	to
Expenditures:			+\$44,352,000	+\$6,048,000	+\$44,352,000	+\$6,048,000

3. What, if any, is the effect of this measure on the appropriation for your agency or department:

- a. For rest of 1993-95 biennium: _____
- b. For the 1995-97 biennium: _____
- c. For the 1997-99 biennium: _____

4. County and City fiscal effect in dollar amounts:

	<u>1993-95</u> <u>Biennium</u>		<u>1995-97</u> <u>Biennium</u>		<u>1997-99</u> <u>Biennium</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: 1-24-95

Signed Kathryn L. Strombeck

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Department TAX

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NORTH DAKOTA SALES AND USE TAX EXEMPTIONS
Estimated Biennial Fiscal Effect *

Exempt Products	5%		4.25%	
	Low	High	Low	High
Resources				
Gasoline	\$45,000,000	\$56,000,000		keep exempt
Coal	24,000,000	29,000,000		keep exempt
Electricity	34,000,000	39,000,000	\$28,900,000	\$33,150,000
Water Through Mains	1,300,000	1,900,000	1,105,000	1,615,000
Publishing				
Newspapers	2,200,000	2,600,000	1,870,000	2,210,000
Magazine Subscriptions	1,000,000	1,400,000	850,000	1,190,000
Bibles, Hymnals, Prayerbooks and Textbooks Purchased by Private Schools	Less Than \$5,000			
Textbooks Purchased by Students	400,000	500,000	340,000	425,000
Medical				
Prescription Drugs	6,500,000	9,500,000		keep exempt
Oxygen and Anesthesia Gases	40,000	60,000		
Artificial Devices (Hearing Aids, Eyeglasses, Limbs)	900,000	1,500,000	765,000	1,275,000
Ostomy Devices and Supplies	40,000	60,000		
Diabetic & Bladder Dysfunction Supplies	200,000	300,000		
Equipment to Modify Articles for Disabled	20,000	40,000		
Sales to Hospitals and Nursing Homes	4,750,000	5,750,000		
Agricultural				
Commercial Fertilizer (For Ag Purposes)	8,550,000	11,000,000		keep exempt
Livestock and Poultry Feed	7,500,000	10,500,000		
Seeds for Planting	5,850,000	7,700,000		
Fungicides, Herbicides, and Insecticides	8,100,000	10,600,000		
Other				
Money	250,000	350,000	212,500	297,500
Grocery Stores	55,000,000	65,000,000		keep exempt
Exempt Products Total	\$205,600,000	\$252,760,000	\$34,042,500	\$40,162,500
Miscellaneous Exemptions				
Rental of Hotel and Motel Accommodations	\$190,000	\$290,000	\$161,500	\$246,500
Film Rental (Movie Theater)	250,000	350,000	212,500	297,500
Sales to Residents of Montana	2,000,000	3,000,000	1,700,000	2,550,000
Sales to Residents of Canada (Refund)	2,000,000	3,000,000	1,700,000	2,550,000
State and Local Fairs	100,000	175,000	85,000	148,750
Private and Parochial Schools	400,000	600,000	340,000	510,000
Inter-State Telephone	3,500,000	5,000,000	2,975,000	4,250,000
Cable Television	2,500,000	3,500,000	2,125,000	2,975,000
Auctions	3,000,000	4,000,000	2,550,000	3,400,000
Manufacturing & Recycling Equipment	2,500,000	7,000,000	2,125,000	5,950,000
Miscellaneous Exemptions Total	\$16,440,000	\$26,915,000	\$13,974,000	\$22,877,750
Exempt Services				
Veterinary Services	\$1,000,000	\$1,500,000	\$850,000	\$1,275,000
Financial Services	3,250,000	5,500,000	2,762,500	4,675,000
Oil and Gas Field Services	6,500,000	10,000,000	5,525,000	8,500,000
Construction	14,000,000	21,000,000	11,900,000	17,850,000
Funeral Services	1,500,000	2,400,000	1,275,000	2,040,000
Miscellaneous Personal Services	600,000	700,000	510,000	595,000
Farm Machinery Repair	800,000	1,500,000	680,000	1,275,000
Transportation Services	200,000	350,000	170,000	297,500
Lawn Care Services	600,000	800,000	510,000	680,000
Engineering, Architecture, and Surveying	700,000	1,300,000	595,000	1,105,000
Health Services	50,000,000	65,000,000		keep exempt
Laundry, Dry Cleaning Service	1,100,000	1,900,000	935,000	1,615,000
Beauty and Barber Shops	2,900,000	3,850,000	2,465,000	3,272,500
Automotive Repair	7,500,000	12,000,000	6,375,000	10,200,000
Miscellaneous Repair	3,500,000	5,500,000	2,975,000	4,675,000
Accounting, Auditing and Bookkeeping	3,250,000	4,200,000	2,762,500	3,570,000
Business Services	4,500,000	6,500,000	3,825,000	5,525,000
Legal Services	6,300,000	8,500,000	5,355,000	7,225,000
Exempt Services Total	\$108,200,000	\$152,500,000	\$49,470,000	\$74,375,000
Grand Total All Exemptions	\$330,240,000	\$432,175,000	\$97,486,500	\$137,415,250
Less Impact of 4.25% on Current Base excl. motor vehicle			(\$87,000,000)	(\$87,000,000)
Balance			\$10,486,500	\$50,415,250

* Calculations are based on 5% sales and use tax rate. All amounts are preliminary and subject to change as additional information becomes available.