

FISCAL NOTE

(Return original and 10 copies)

Bill/Resolution No.: HB 1120 Amendment to: _____

Requested by Legislative Council Date of Request: 12-31-96

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

Narrative: (See attached)

2. State fiscal effect in dollar amounts:

	<u>1995-97</u> <u>Biennium</u>		<u>1997-99</u> <u>Biennium</u>		<u>1999-2001</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:	0	0	0	0	0	0
Expenditures:	0	0	0	0	0	0

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

- a. For rest of 1995-97 biennium: 0
- b. For the 1997-99 biennium: 0
- c. For the 1999-2001 biennium: 0

4. County, City, and School District fiscal effect in dollar amounts:

<u>1995-97</u> <u>Biennium</u>			<u>1997-99</u> <u>Biennium</u>			<u>1999-2001</u> <u>Biennium</u>		
<u>Counties</u>	<u>Cities</u>	<u>School</u> <u>Districts</u>	<u>Counties</u>	<u>Cities</u>	<u>School</u> <u>Districts</u>	<u>Counties</u>	<u>Cities</u>	<u>School</u> <u>Districts</u>
0	0	0	0	0	0	0	0	0

If additional space is needed, attach a supplemental sheet.

Date Prepared: 1-6-97

Signed Wayne G. Kindem

Typed Name Wayne G. Kindem

Department Job Service North Dakota

Phone Number 328-3033

House Bill 1120

There is no projected additional operating cost to withhold federal or state income tax on unemployment insurance benefit payments as allowed by HB 1120. The one time programming changes required were financed by a federal grant and have been completed. Public Law 103-465, signed by the President in December of 1994, amended the Federal Unemployment Tax Act (FUTA) to require all states to provide for voluntary withholding of Federal income tax from job insurance benefit payments. Adoption of this provision assures conformity with Federal law. If we are not in conformity we risk North Dakota employers losing their current 5.4% FUTA tax credit on the first \$7,000 of each employee's wages and Federal administrative funding for our job insurance program.