

Fifty-seventh
Legislative Assembly
of North Dakota

SENATE BILL NO. 2428

Introduced by

Senators Tallackson, Trenbeath

Representatives Froelich, Maragos, Schmidt, Warner

1 A BILL for an Act to amend and reenact section 57-38-29 and subsection 2 of section
2 57-38-30.3 of the North Dakota Century Code, relating to rates for individual income taxes; to
3 provide an appropriation for foundation aid for school districts and to provide for a reduction in
4 property tax levy authority for school districts; and to provide an effective date.

5 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

6 **SECTION 1. AMENDMENT.** Section 57-38-29 of the North Dakota Century Code is
7 amended and reenacted as follows:

8 **57-38-29. Rate of tax on individuals.** A tax is hereby imposed upon every individual,
9 to be levied, collected, and paid annually with respect to the taxable income of such individual
10 as defined in this chapter, computed at the following rates:

- 11 1. On taxable income not in excess of three thousand dollars, a tax of ~~two~~ three and
12 ~~sixty-seven~~ twenty-four hundredths percent.
- 13 2. On taxable income in excess of three thousand dollars and not in excess of five
14 thousand dollars, a tax of four and eighty-six hundredths percent.
- 15 3. On taxable income in excess of five thousand dollars and not in excess of eight
16 thousand dollars, a tax of ~~five~~ six and ~~thirty-three~~ forty-seven hundredths percent.
- 17 4. On taxable income in excess of eight thousand dollars and not in excess of fifteen
18 thousand dollars, a tax of ~~six~~ eight and ~~sixty-seven~~ ten hundredths percent.
- 19 5. On taxable income in excess of fifteen thousand dollars and not in excess of
20 twenty-five thousand dollars, a tax of ~~eight~~ nine and seventy-one hundredths
21 percent.
- 22 6. On taxable income in excess of twenty-five thousand dollars and not in excess of
23 thirty-five thousand dollars, a tax of ~~nine~~ eleven and thirty-three hundredths
24 percent.

7. On taxable income in excess of thirty-five thousand dollars and not in excess of fifty thousand dollars, a tax of ~~ten twelve~~ and ~~sixty-seven~~ ninety-six hundredths percent.

8. On taxable income in excess of fifty thousand dollars, a tax of ~~twelve~~ fourteen and fifty-seven hundredths percent.

SECTION 2. AMENDMENT. Subsection 2 of section 57-38-30.3 of the North Dakota Century Code is amended and reenacted as follows:

2. A tax is hereby imposed for each taxable year upon income earned or received in that taxable year by every resident and nonresident individual, estate, and trust. This tax is ~~fourteen~~ seventeen percent of the individual's, estate's, or trust's adjusted federal income tax liability for the taxable year.

SECTION 3. APPROPRIATION - LEVY LIMITATION EFFECT. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$95,000,000, or so much of the sum as may be necessary, to the department of public instruction for the purpose of allocation of additional foundation aid grants to be allocated among school districts in the same proportions as foundation aid grants are allocated under chapter 15-40.1 or 15.1-27, for the biennium beginning July 1, 2001, and ending June 30, 2003.

For purposes of section 57-15-31, one-half of the amount estimated to be received by a school district under this section in the taxable year must be considered estimated revenues from sources other than direct property taxes and must be deducted from estimated expenditures to determine the maximum levy of the school district. The remaining one-half of revenue received by a school district under this section must be excluded from determination of the school district's levy.

SECTION 4. EFFECTIVE DATE. Sections 1 and 2 of this Act are effective for taxable years beginning after December 31, 2000.