

FISCAL NOTE
Requested by Legislative Council
01/12/2011

Bill/Resolution No.: SB 2170

1A. State fiscal effect: *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2009-2011 Biennium		2011-2013 Biennium		2013-2015 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

1B. County, city, and school district fiscal effect: *Identify the fiscal effect on the appropriate political subdivision.*

2009-2011 Biennium			2011-2013 Biennium			2013-2015 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2A. Bill and fiscal impact summary: *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

SB 2170 creates a de minimus threshold for nonresident individuals who work in North Dakota on an infrequent or temporary basis. If the statutory conditions are met, the nonresident's wages attributable to work in North Dakota are exempted from income tax.

B. Fiscal impact sections: *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

SB 2170, which is modeled after the Multistate Tax Commission's Model Mobile Workforce Statute, exempts from income tax the wages received by a nonresident individual for working in North Dakota if (1) the individual has no other income from North Dakota sources, (2) the individual works in North Dakota no more than 20 days during the tax year, and (3) the individual's state of residence provides a substantially similar exemption or does not impose an income tax.

In addition, an employer is not required to withhold North Dakota income tax from wages paid to a nonresident individual working in North Dakota if (1) the individual works in North Dakota no more than 20 days during the tax year and (2) the individual's state of residence provides a substantially similar exemption or does not impose an income tax.

If enacted, SB 2170 does not take effect until the 2013 tax year and is expected to reduce state general fund revenues by less than \$5,000 for the 2011-13 biennium.

3. State fiscal effect detail: *For information shown under state fiscal effect in 1A, please:*

A. Revenues: *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

B. Expenditures: *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

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