

FISCAL NOTE
Requested by Legislative Council
02/03/2015

Amendment to: HB 1152

- 1 A. **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.*

	2013-2015 Biennium		2015-2017 Biennium		2017-2019 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

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

	2013-2015 Biennium	2015-2017 Biennium	2017-2019 Biennium
Counties			
Cities			
School Districts			
Townships			

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

Engrossed HB 1152 creates a new income tax credit for contributing to a fund set up by a ND private college to make scholarship awards to students in health, education, or business who commit to work in an oil-producing county in ND after graduating.

- 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.*

Engrossed HB 1152 creates a new income tax credit equal to 75% of the amount contributed to a Bakken Region Scholarship Fund. The contribution must be at least \$25,000. To the extent the contribution reduces the contributor's federal taxable income, it must be added back into North Dakota taxable income. There is a 3-year carryover of an unused credit. If a student fails to fulfil the commitment, the student must repay the scholarship plus interest to the fund within 10 years. The credit is only allowed for the 2015 and 2016 tax years, after which it becomes ineffective. The total amount of credits allowed for the two tax years is limited to \$25 million.

If enacted, engrossed HB 1152 has the potential to reduce state general revenues for the 2015-17 biennium. The amount of the reduction, if any, cannot be determined because the number of taxpayers who would contribute to such a fund and the amounts contributed are unknowns. The cap on the total credits allowed limits any reduction in state general fund revenues to \$25 million for the 2015-17 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 or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

Name: Kathryn L. Strombeck

Agency: Office of Tax Commissioner

Telephone: 328-3402

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