

FISCAL NOTE
Requested by Legislative Council
01/07/2019

Bill/Resolution No.: HB 1321

- 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.*

	2017-2019 Biennium		2019-2021 Biennium		2021-2023 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues			\$(17,000,000)			
Expenditures						
Appropriations						

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

	2017-2019 Biennium	2019-2021 Biennium	2021-2023 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).*

HB 1321 creates a new income tax credit for taxpayers with dependents attending nonpublic or home schools.

- 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.*

Section 1 of HB 1321 creates a new income tax credit for individuals with dependents attending nonpublic or home schools. The credit is equal to the amount of the state aid payment per student in the school district in which the dependent resided during the tax year. The credit is allowed in the tax year in which the school year ends. The credit is reduced by 50% if the dependent attended less than the full school year but at least half the school year. If the credit exceeds the taxpayer's tax liability in the tax year in which the credit is first allowed, the excess may be carried over and used in subsequent tax years for up to 12 years.

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.*

The total enrollment in nonpublic and home schools in grades K through 12 is around 9,617 students. The current base state aid payment amount per student is \$9,646. The average tax liability for individual taxpayers is significantly lower than the state aid payment amount and will set the ceiling on the fiscal effect for each tax year. If enacted, HB 1321 is expected to reduce state general fund revenues by an estimated -\$17 million for the 2019-21 biennium.

- 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.*

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