

**FISCAL NOTE**  
**Requested by Legislative Council**  
**01/12/2019**

Bill/Resolution No.: SB 2237

- 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
<b>Revenues</b>						
<b>Expenditures</b>						
<b>Appropriations</b>						

- 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
<b>Counties</b>			
<b>Cities</b>			
<b>School Districts</b>			
<b>Townships</b>			

- 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).*

SB 2237 creates a new income tax credit or a deduction that can be claimed by a business that reimburses an employee for amounts the employee pays to provide child care for a minor under the legal guardianship of the employee.

- 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 SB 2237 allows an income tax credit to a corporation equal to the amount paid to reimburse an employee for child care costs the employee incurs and pays as a legal guardian of a minor. The child care must be provided by a North Dakota-licensed child care provider. The credit is allowed in the tax year the reimbursement amount is paid. If the credit amount is more than the corporation's tax liability, the corporation may apply the unused portion against its tax liability in subsequent tax years.

Section 2 of SB 2237 allows an income tax deduction for employers that are not corporations, but file as individuals, who reimburse employees for child care costs. The deduction is equal to twice the amount paid by the business to reimburse employees for qualified child care expenditures.

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.*

If enacted, SB 2237 will potentially reduce state general fund revenues for the 2019-21 biennium. The amount of the reduction cannot be determined because it is not known to what extent that businesses currently reimburse employees for child care expenses, or the amount they may choose to do so if SB 2237 is enacted.

- 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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