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Sixty-eighth
Legislative Assembly
of North Dakota

**FIRST ENGROSSMENT**

**ENGROSSED HOUSE BILL NO. 1425**

Introduced by

Representative Headland

A BILL for an Act to create and enact a new subsection to section 57-38-30.3 of the North Dakota Century Code, relating to calculation of individual income tax based on general fund revenues.

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

**SECTION 1.** A new subsection to section 57-38-30.3 of the North Dakota Century Code is created and enacted as follows:

If the actual general fund revenues exceed the estimated general fund revenues for the twelve-month period ending June thirtieth of an even-numbered year by at least ten percent as determined by the director of the office of management and budget, the rates under subsection 1 must be reduced by fifty one-hundredths of one percent for the subsequent tax year beginning after December thirty-first of an even-numbered year. The tax commissioner shall publish the reduced rates and notify taxpayers of the reduced rates by November first of an even-numbered year. The tax commissioner may determine the form and manner of publishing the reduced rates and notifying taxpayers, including any notification that taxpayers are not required to file returns or pay taxes. For purposes of this subsection:

a. "Estimated general fund revenues" means the estimated general fund revenues, excluding the July first of an odd-numbered year general fund balance, as reflected in the cash flow forecast developed by the director of the office of management and budget based on the total estimated general fund revenues for the biennium approved by the most recently adjourned special or regular session of the legislative assembly.

b. Any reductions to the rates under subsection 1 apply to tax years beginning after December 31, 2022.

c. The rate reductions must be equally applied to all tax brackets.

d. The reduced rates must be rounded to the nearest one-hundredth of a percent.

e. This subsection does not limit or suspend any provision in chapter 57-38 which is not in conflict with this section, including provisions for assessment and refund under sections 57-38-34.4, 57-38-38, and 57-38-40.