

January 29th, 2025
Representative Mike Berg
District 8

Testimony in Support of House Bill 1546

Presented to the House Finance and Taxation Committee
69th Session of the North Dakota Legislative Assembly

Mr. Chairman and members of the House Finance and Tax Committee. For the record I am Mike Berg of District 8 serving rural Burleigh County and Emmons County.

HB 1546 is before you today because a constituent reached out to me with some ideas about improving the efficiency of the construction of state-owned projects that are subject to state sales tax. This bill does not affect sales or use taxes imposed by a county or city.

Under current tax law, projects that are constructed for State agencies are subject to State sales tax. As a result of this, a contractor building a project for the State will pay state sales tax on materials. The contractor will then submit pay requests to the State agency as the work is constructed. The State will pay the pay requests which include the State sales tax. This results in inefficiencies in the construction process.

Thank you for your consideration,

Rep. Mike Berg