Dear Legislators,

Referring to NDCC 57-20-09 "the discount must be applied before a primary residence credit under section 57-02-08-9.

This NDCC code in other words is taking the Primary Resident **Credit** and now making it a ***payment*** per special session back in January. By making this now a ***"payment***" it will affect numerous issues as well as a heavy burden on programing reconstruction. Will this lead to changing how *Homestead **Credit*** or *Veterans **Credi**t* are paid? **Credit** comes off the taxable amount not the payment for Homestead and Vets credit otherwise it would read payment not credit. As far as what was discussed regarding the January session, this 5% is not kept by the county. The PRC is a credit not a payment. The county only collects what the primary credit can cover on the gross taxable. If gross tax on statement is 475 – 500 = 0 due, the county only will get 475 from the gross taxable amount just like Homestead and Vets credits are collected. I feel there was information in the January session that was missed or misunderstood.

If this now becomes a ***paymen***t there are so many issues to address such as:

1. What happens if there is change to the tax statement such as increase or decrease due to assessing and/or abatements/additions? There will be a lot of adjusting to due.
2. What if a tax payer doesn't pay by February 15 and takes advantage of the 2 payment options of March 1 and Oct 15. Or if the payment is made after the February 15th deadline, where they would lose this discount. Would I still allow the discount and adjust the statement payment? There are many ways a tax payer could pay or maybe not pay for a year or so, or if they make payments each month?
3. When the primary resident credit money is dispersed to the counties.

The whole idea behind the 5% discount is to encourage early payment so that tax operated Entity has the operating money up front and able to use and with the 3% cap this money is crucial for a tight budget and would make it hard to operate when money comes throughout the year and not guaranteed what part of year.

I do know there has been a lot of meetings with county software programmers like Counties Providing Technology, Tyler etc. as well as Association of Counties. They have been expressing concern on how this change from a **credit** to a ***payment*** after the 5% discount can and will cause complicating issues.

Respectfully,

Cindy Worrel

Lamoure County Treasurer

701-883-6090

cworrel@nd.gov