

1999 HOUSE FINANCE AND TAXATION

HCR 3073

1999 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HCR 3073

House Finance and Taxation Committee

Conference Committee

Hearing Date February 24, 1999

Tape Number	Side A	Side B	Meter #
1	x		3.8
Committee Clerk Signature <i>Jamie Stein</i>			

Minutes:

REP. BELTER Opened the hearing.

REP. OLE AARSVOLD, DIST. 20, Introduced the resolution. This resolution was a bill which the committee heard earlier and acted favorably upon, unfortunately, it failed on a close vote on the floor. Since that time, I have had a number of people encourage me to sponsor a resolution to study the intent of that bill. This resolution would study the desirability and feasibility of adjusting the income tax credits that are currently available for military and federal retirees.

REP. RENNERFELDT You referred to other states, what kind of breaks do they give?

REP. AARSVOLD Typically, it is an exemption for the first portion of their federal retirement. In North Dakota, currently, it is \$5,000. In the process of filing the long form, they lose that benefit. The state of Illinois has a \$15,000 exemption and Iowa is very near that.

REP. JIM POOLMAN, DIST. 42, Testified in support as a co-sponsor of the bill. Stated that during one of his weekends at home, he visited with a base official from the Grand Forks Airforce Base, and this bill came up in the discussion. He stated there is plenty of information that could be looked at over the interium in order to make an informed decision on this study.

REP. HERBEL Asked what kind of numbers are you getting now from the airbase that have retired?

REP. POOLMAN I don't have any specific numbers.

REP. GROSZ When you say there are people, the people that move too, that have been residents all of their life, does this include people that served in the National Guard, and lived here all of their lives, and they would most likely stay here anyway?

REP. POOLMAN That would be my understanding.

REP. GROSZ Could it include all retired people, that would attract a lot more?

REP. POOLMAN I will let you introduce that study resolution.

REP. SCHMIDT Right now, North Dakota has the lowest income tax of any state, wouldn't that be something we could tell those people?

REP. POOLMAN You have an excellent point, but we are looking at benefits for retired federal and military personnel, and they do receive those benefits in states elsewhere.

REP. ANDY MARAGOS, DIST. 3 Testified in support of the resolution. I am always in favor of any attempts to bring people to the state of North Dakota.

With no further testimony, the hearing was closed.

COMMITTEE ACTION

REP. WINRICH Made a motion for a DO PASS.

REP. HERBEL Second the motion. MOTION CARRIED

13 Yes 0 No 2 Absent

REP. WINRICH Was given the floor assignment.

Please type or use black pen to complete

Date 2-24-99

Roll call vote # 1

1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. HCR 3073

House HOUSE FINANCE & TAX Committee

- Subcommittee on _____
- Conference Committee

} Identify or check where appropriate

Legislative Council Amendment Number _____

Action Taken Do Pass

Motion Made By Rep. Winrich Seconded By Rep. Herbel

DO NOT USE HIGHLIGHTER ON ANY FORMS

Representatives	Yes	No	Representatives	Yes	No
BELTER	✓		WINRICH	✓	
RENNERFELDT	✓				
CLARK	✓				
FROELICH	A				
GRANDE	✓				
GROSZ	✓				
HERBEL	✓				
KROEBER	✓				
MICKELSON	✓				
NICHOLAS	A				
RENNER	✓				
SCHMIDT	✓				
WARNER	✓				
WIKENHEISER	✓				

Total 13 0
(Yes) (No)

Absent 2

Floor Assignment Rep. Winrich

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410)
February 24, 1999 1:04 p.m.

Module No: HR-33-3431
Carrier: Winrich
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HCR 3073: Finance and Taxation Committee (Rep. Belter, Chairman) recommends DO PASS and BE PLACED ON THE CONSENT CALENDAR (13 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). HCR 3073 was placed on the Tenth order on the calendar.

1999 SENATE FINANCE AND TAXATION

HCR 3073

1999 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HCR 3073

Senate Finance and Taxation Committee

Conference Committee

Hearing Date 33-10-99

Tape Number	Side A	Side B	Meter #
HCR 3073	X		2835 - 5096
Committee Clerk Signature <i>Sheila Wald</i>			

Minutes:

Sen. Urlacher opened the hearing on HCR 3073. RESOLUTION DIRECTING THE LEGISLATIVE COUNCIL TO STUDY FEASIBILITY OF ADJUSTMENTS TO INCOME TAX DEDUCTIONS FOR MILITARY & OTHER FEDERAL RETIREES.

Rep. Aarsvold - Intense competition for those that are Federally retirees, using State tax incentives to come to those respective States. Also Military retirees. These people highly trained and young enough to still work. We have heard about an exodus of people leaving the State, but, because they have better incentives in other States, they are gone. The resolution would explore those things and make a determination, whether or not there is reason or not as a State to establish a public tax policy that would encourage those to come back to ND or even remain in the State. If we provide economic incentive, we could hold these retirees here.

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Senate Finance and Taxation Committee

Bill/Resolution Number Hcr 3073

Hearing Date 3-10-99

Sen. Urlacher - Is there an occupational shift taking place?

Rep. Aarsvold - No, we have never had a high unemployment in State. The labor pool adjusts itself to the existing market. The skill are far different that the ones we grew up with.

Sen. Christmann - Is this resolution for only Fed. retiree, why not State retirees? Amoco, Basin Electric, etc.

Rep. Aarsvold - We have to make choices and I so targeted. Other groups are eligible for the deduction, but I choose the Fed, because of the Air Bases, and military services.

Rep. Jim Poolman - In favor of HCR 3073. I do retirement plans for Corporations in Grand Forks. I have an opportunity to visit with people in Grand Forks, people do retire and shop around for tax benefits, after they retire from the Air Base. Reason the resolution is a good thing, and research can be done. Fed. employees do want to stay here but they need a benefit for them to stay.

Rep. Andy Maragos - Support this Resolution. Minot AFB, we have a lot that want to stay in ND. These people make a huge contribution to communities and to the State of ND.

Arland Grosbauer - Bureau of Reclamation - I know people who have retired, have left the State. We are allowed the \$5,000. exemption on the long form, but when I fill it out it costs me more in State taxes, then if I fill out the short form. The short form does allow railroad retirees benefits to be deducted on the short form also, but not Fed. or Military retirees.

Sen. Christmann - Why does the railroad people are on there? How does Social Security on their benefits on there like any other income or what?

Donnita Wald - Railroad retirement is different, there are Federal laws that pertain to that. Soc. Security has limitations on income that individual receives.

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Senate Finance and Taxation Committee
Bill/Resolution Number Hcr 3073
Hearing Date 3-10-99

Sen. Urlacher closed the hearing. .

DISCUSSION 3-15-99. TAPE 300 - 1270 A MOTION TO DO PASS WAS MADE BY SEN
KROEPLIN, AND SECONDED BY SEN. WARDNER. VOTE 4-3-0. CARRIER WILL BE
SEN. SCHOBINGER.

Date: 3/15/99
Roll Call Vote #: _____

1999 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 3073

Senate Senate Finance and Taxation Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass

Motion Made By Sen. Kroeplin Seconded By Sen. Wardner

Senators	Yes	No	Senators	Yes	No
SENATOR URLACHER		✓			
SENATOR CHRISTMANN		✓			
SENATOR SCHOBINGER	✓				
SENATOR STENEHJEM		✓			
SENATOR WARDNER	✓				
SENATOR KINNOIN	✓				
SENATOR KROEPLIN	✓				

Total (Yes) 4 No 3

Absent 0

Floor Assignment Sen. Schobinger

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410)
March 15, 1999 11:25 a.m.

Module No: SR-46-4771
Carrier: Wardner
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HCR 3073: Finance and Taxation Committee (Sen. Urlacher, Chairman) recommends **DO PASS** (4 YEAS, 3 NAYS, 0 ABSENT AND NOT VOTING). HCR 3073 was placed on the Fourteenth order on the calendar.