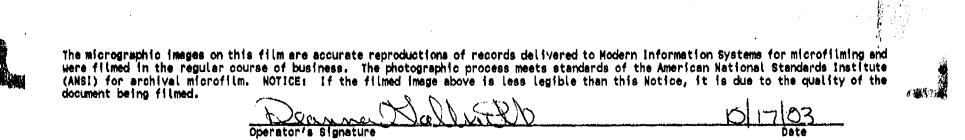


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2003 SENATE FINANCE AND TAXATION

SB 2159



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2003 SENATE STANDING COMMITTEE MINUTES

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BILL/RESOLUTION NO. SB2159

Senate Finance and Taxation Committee

Conference Committee

Hearing Date January 15, 2003

Tape Number	Side A	Side B	Meter #
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Minutes:

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Senator Urlacher opened the hearing on SB2159. All committees members were present. Gary Anderson, Director of Sales & Special Taxes with the Office of State Tax Commissioner. This bill removes or amends information that is no longer applicable in several of the tax chapters. Written testimony is attached that explains the changes in each section. Recommends a Do Pass.

Senator Nichols - With regard to the centrally electronically filed, does this just address tobacco? Mr. Anderson - This particular section deals just with tobacco tax laws. This brings the lien provisions up to date to be compatible with other provisions.

Senator Syverson - Definitions - farm winery premises. Is that encompassing enough to include very small business, such as someone making wine for neighbors. Would we run into someone saying that I don't live on a farm, so this provision doesn't apply to me.

All the second second The micrographic images on this film are accurate reproductions of records delivered to Modern Information Systems for microfilming and were filmed in the regular course of business. The photographic process meets standards of the American National Standards Institute (ANBI) for archival microfilm. NOTICE: If the filmed image above is less legible than this Notice, it is due to the quality of the document being filmed. Qûx NR Date Operator's Signature

Page 2 Senate Finance and Taxation Committee Bill/Resolution Number SB2159 Hearing Date January 15, 2003

Mr. Anderson - The problem that we found with the bill, it puts restrictions on farm wineries when they have to provide products they have purchased. When starting a winery, it takes several years to develop the orchard and many wineries need to buy product in the beginning. Which takes them out of the ability to apply for a license in the state. Senator Urlacher - Any other testimony for SB2159? Any opposition to SB2159?

Hearing closed.

Senator Tollefson - As far as I could tell this is a strictly housekeeping issue, I move to Do Pass.

Second by Senator Seymour. Roll call vote 6 yea, 0 nay, 0 absent. Carrier is Senator Seymour.

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FISCAL NOTE Requested by Legislative Council 01/03/2003

Bill/Resolution No.: SB 2159

1A. 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.

	2001-2003 Biennium		2003-200	5 Biennium	2005-2007 Blennium		
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds	
Revenues		1 1					
Expenditures							
Appropriations							

1B. County, city, and school district fiscal effect: Identify the fiscal effect on the appropriate political subdivision.

200	1-2003 Bienr	nium	200	3-2005 Bienr	ium	200	5-2007 Bienr	nium
	0141	School		0141	School	0	0111-	School
Counties	Cities	Districts	Counties	Cities	Districts	Counties	Cities	Districts

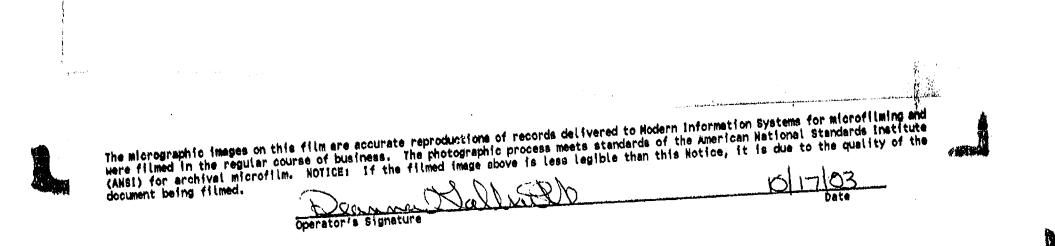
2. Narrative: Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.

SB 2159 makes technical changes only; there is no fiscal impact.

- 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.
 - 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, of the effect on the blennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.

Name:	Kathryn L. Strombeck	Agency:	Tax Dept.
Phone Number:	328-3402	Date Prepared:	01/13/2003

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			Date Roll Call Vote #		
2003 SENATE STAN BILL/RESO			ITTEE ROLL CALL VO	OTES	
Senate Finance and Taxation			······································	Comr	nittee
Check here for Conference Com	nmittee				
Legislative Council Amendment Nur	nber				
-	-	0	-		
Action Taken	100			·	
N					
Motion Made By San, Tallet	584.2	Se	econded By	erleunne	<u> </u>
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Motion Made By San, Tollie G Senators Senator Urlacher - Chairman	Yes	Se	econded By Same Senators Senator Nichols	Yes	No
Senators			Senators		(المسركان ال
Senators Senator Urlacher - Chairman Senator Wardner - Vice Chairman Senator Syverson	Yes		Senators Senator Nichols		(زیست کار زی
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Senator Urlacher - Chairman Senator Wardner - Vice Chairman Senator Syverson Senator Tollefson	Yes	No	Senator Nichols Senator Seymour	Yes	<u>No</u>
Senators Senator Urlacher - Chairman Senator Wardner - Vice Chairman Senator Syverson	Yes	No	Senator Nichols Senator Seymour		<u>No</u>
Senator Urlacher - Chairman Senator Wardner - Vice Chairman Senator Syverson Senator Tollefson	Yes	No	Senators Senator Nichols Senator Seymour	Yes	<u>No</u>
Senator Urlacher - Chairman Senator Wardner - Vice Chairman Senator Syverson Senator Tollefson	Yes	No	Senators Senator Nichols Senator Seymour	Yes	

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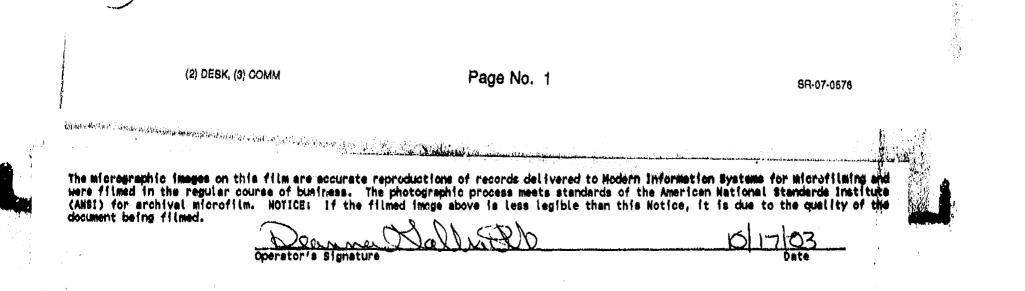
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REPORT OF STANDING COMMITTEE (410)

January 15, 2003 12:07 p.m.

Module No: SR-07-0576 Carrier: Seymour Insert LC: . Title: . 化炉 (金)

REPORT OF STANDING COMMITTEE SB 2159: Finance and Taxation Committee (Sen. Urlacher, Chairman) recommends DO PASS (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2159 was placed on the Eleventh order on the calendar.



2003 HOUSE FINANCE AND TAXATION

SB 2159

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2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2159

House Finance and Taxation Committee

Conference Committee

Hearing Date March 3, 2003

Tape Number	Side A	Side B	Metor #
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Committee Clerk Signatur	e (fc	mu B	lein

Minutes:

A DATE OF

<u>REP. WES BELTER, CHAIRMAN</u> Called the hearing to order.

GARY ANDERSON, DIRECTOR OF THE SALES & SPECIAL TAXES DIVISION

WITH THE OFFICE OF STATE TAX COMMISSIONER Testified in support of the bill.

See attached written testimony. This is a bill to clean up the language.

With no further testimony, the hearing was closed.

COMMITTEE ACTION

<u>REP. CLARK</u> Made a motion for a **DO PASS**

<u>REP. KLEIN</u> Second the motion. **MOTION CARRIED**

14 YES 0 NO 0 ABSENT

<u>REP. WINRICH</u> Was given the floor assignment.

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	2003 HOUSE STAL	NDING C BILL/RES	OMMITTE SOLUTION	EROLL CALL NO. SB 21	votes 59		
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[Check here for Conference Co	ommittee					
L	egislative Council Amendment N	lumber _					
A	ction Taken)∧	P	55			
N	Iotion Made By	lask	Seconde	d By Ref.	Klei	N	
F	Representatives	Yes	No	Representative	*	Yes	No
	BELTER, CHAIRMAN	Yes V	No	Representative	×8	Yes	<u>No</u>
			No	Representative		Yes	<u>No</u>
	BELTER, CHAIRMAN DROVDAL, VICE-CHAIR		No	Representative	з 	Yes	<u>No</u>
	BELTER, CHAIRMAN DROVDAL, VICE-CHAIR CLARK	Yes V V V V	No	Representative))	Yes	<u>No</u>
and and a second se	BELTER, CHAIRMAN DROVDAL, VICE-CHAIR CLARK FROELICH GROSZ HEADLAND	Yes Yes Yes Yes Y	No	Representative		Yes	No
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	BELTER, CHAIRMAN DROVDAL, VICE-CHAIR CLARK FROELICH GROSZ HEADLAND IVERSON KELSH KLEIN	2777777	No	Representative		Yes	No
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If the vote is on an amendment, briefly indicate intent:

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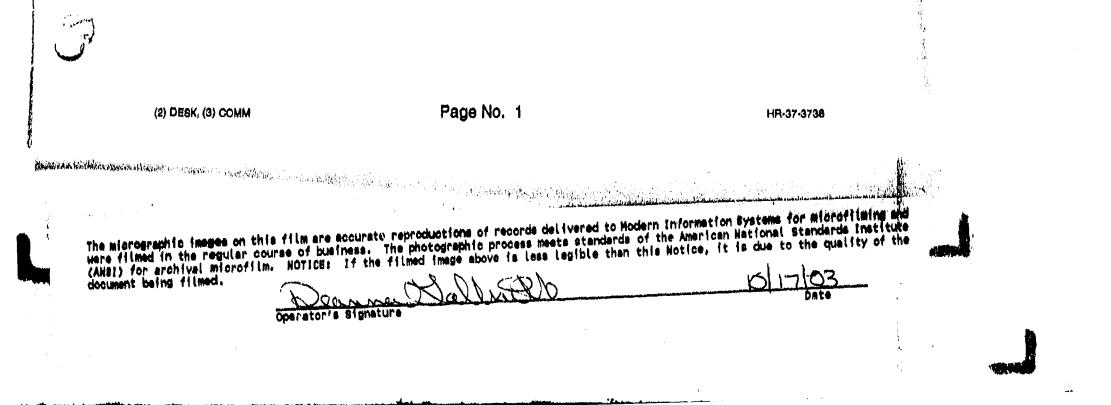
REPORT OF STANDING COMMITTEE (410)

March 3, 2003 1:12 p.m.

Module No: HR-37-3738 Carrier: Winrich Insert LC: . Title: .

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REPORT OF STANDING COMMITTEE SB 2159: Finance and Taxation Committee (Rep. Beiter, Chairman) recommends DO PASS (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2159 was placed on the Fourteenth order on the calendar.



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2003 TESTIMONY

SB 2159

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Sec.

Testimony before the Senate Finance and Taxation Committee Senate Bill 2159

January 15, 2002 Prepared by Gary L. Anderson Director of Sales & Special Taxes North Dakota Office of State Tax Commissioner

Mr. Chairman and members of the Finance & Taxation Committee, my name is Gary Anderson. I am the Director of the Sales & Special Taxes Division with the Office of State Tax Commissioner.

Purpose of bill

Senate Bill 2159 removes or amends information that is that is no longer applicable in several of the tax chapters.

Bill's provisions

Section 1 of the Bill amends the subsection 2 of section 5-01-17 of the North Dakota Century Code, which identifies the administrative responsibilities for alcoholic beverages, specifically farm wineries. During the 2001 legislative session, the administrative duties relating to wholesale alcoholic beverages were transferred from the state treasurer to the state tax commissioner effective July 1, 2001. Section 1 of the bill updates the administrative responsibilities for label registration for farm wineries with the state tax commissioner.

Section 2 of the Bill provides for the elimination of an obsolete reference in the Financial Institutions Taxation chapter. Subdivision "h" referred to by 57-35.3-02(2)(a) relates to the Myron G. Nelson Fund, which was repealed in 1999.

Section 3 of the Bill amends the existing lien provisions in 57-36-09.5 of the Tobacco Products Tax Law to provide for centrally and electronically filed liens though

the central indexing system. the marker offer and the The micrographic images on this film are accurate reproductions of records delivered to Modern Information Systems for microfilming and were filmed in the regular course of business. The photographic process meets standards of the American National Standards Institute (ANSI) for erchival microfilm. NOTICE: If the filmed image above is less legible than this Notice, it is due to the quality of the document being filmed. Operator's Signature

Section 4 of the Bill relates to the repeal of redundant language in 57-38-30.3 of the Income Tax law. Subsection 3 was added in the last minute passage of House Bill 1399 during the 2001 Legislative Session. But subsection 2, referred to in subsection 3, already has language that addresses adjustments where the income is not North Dakota or where the taxpayer was a nonresident at the time. In addition, subsection 3 could be construed to possibly deny capital gains deduction, which was not the legislative intent of this original legislation.

Section 5 of the Bill removes obsolete language from 57-39.2-04 of the Sales Tax law. 57-39.2-04 references the assignment of a use tax account number to a contractor pursuant to section 43-07-04. Subsection 43-07-04, which provides the licensing requirements for a contractor no longer references a requirement that a use tax account numbers be assigned to contractors.

Section 6 of the Bill amends the definition of an all-terrain vehicle in 57-40.3-01 of the Motor Vehicle Excise Tax law. This amendment insures consistency with the definition of all-terrain vehicle provided by Chapter 39-29, which provides the registration requirements for an all-terrain vehicle subject to the motor vehicle excise tax. Section 7 of the Bill amends the language in 57-51-02.2 of Oil and Gas Gross Production Tax chapter for purposes of clarification.

Section 8 of the Bill removes obsolete language in 57-51-06 of the Oil and Gas Gross Production Tax chapter. The words "under oath" are being deleted, as forms prescribed by the commissioner no longer require notarization.

Closing

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It is the Department's opinion that there is no fiscal effect for the changes provided by Senate Bill 2159. The Tax Commissioner recommends a do pass on Senate

Bill 2159. If the Committee has any question, I would be glad to respond. No Charles Bry Star - Main The micrographic images on this film are accurate reproductions of records delivered to Modern Information Systems for microfilming and were filmed in the regular course of business. The photographic process meets standards of the American National Standards Institute (ANSI) for archival microfilm. NOTICE: If the filmed image above is less legible than this Notice, it is due to the quality of the document being filmed. Stanatur

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sessions to provide for centrally and electronically filed liens. Man Andrew 1 22 an na sanan na sanan na sana sana sana The micrographic images on this film are accurate reproductions of records delivered to Nodern Information Systems for microfilming and were filmed in the regular course of business. The photographic process meets standards of the American National Standards Institute (ANSI) for archival microfilm. NOTICE: If the filmed image above is less legible than this Notice, it is due to the quality of the document being filmed. Operator's Signatur

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