

2021 JOINT TECHNICAL CORRECTIONS

HB 1515

2021 JOINT STANDING COMMITTEE MINUTES

Technical Corrections Committee Pioneer Room, State Capitol

HB 1515
11/10/2021
PM

A BILL for an Act to create and enact a new section to chapter 57-38 and a new subdivision to subsection 7 of section 57-38-30.3 of the North Dakota Century Code, relating to an individual income tax credit; to provide an effective date; to provide an expiration date; and to declare an emergency.

Co-Chair J. Lee called the hearing to order, Vice Chair, Patten, Senators H. Anderson, Schaible, Dwyer, Kannianen, Vedaa, Bakke, Co-Chair Weisz, Vice Chair Porter, Representative Dockter, Richter, Louser, O'Brian, Roers Jones, Hanson, present [9:48]

Discussion Topics:

- Individual income tax
- Marriage tax penalty
- Tax forms
- North Dakota tax policy
- Property tax

Representative Heinert introduces the bill and submitted an amendment 21.1098.01002 #12241 [3:48].

Representative B. Koppelman provided testimony #12242 [3:58]

Ryan Rauschenberger, State Tax Commissioner testified (no written testimony) [4:14]

Dustin Gawrlylow, North Dakota Watchdog Network provided testimony #12182 [4:15]

Additional Written Testimony:

Gordon Greenstein, US Navy Veteran and US Army Retired provided testimony #12185.

Co-Chair Lee adjourned the hearing [4:18]

Senator Dwyer moved to delete Section 4 [4:19].

Senator Anderson seconds
Motion carries by voice vote

Representative Porter moved to strike the five hundred and replace with three hundred and fifty on line 11 [4:20].

Representative Hanson seconds.
Motion carries by voice vote

Representative Porter moved DO PASS as Amended [4:22]
Representative Hanson seconds

Senators	Vote
Chair Judy Lee	N
Vice Chair Dale Patten	N
Senator Howard Anderson	Y
Senator Donald Schaible	N
Senator Michael Dwyer	N
Senator Jordon Kannianen	Y
Senator Shawn Vedaa	Y
Senator JoNell Bakke	Y
Representatives	
Chair Robin Weisz	Y
Vice Chair Todd Porter	Y
Representative Jason Dockter	Y
Representative David Richter	Y
Representative Scott Louser	Y
Representative Emily O'Brien	Y
Representative Shannon Roers Jones	Y
Representative Karla Rose Hanson	Y

Motion fails
Senate 4-4-0
House 8-0-0

Representative Weisz moved Without Committee Recommendation as Amended [4:35]
Representative Louser seconds

Senators	Vote
Chair Judy Lee	Y
Vice Chair Dale Patten	Y
Senator Howard Anderson	Y
Senator Donald Schaible	Y
Senator Michael Dwyer	Y

Senator Jordon Kannianen	Y
Senator Shawn Vedaa	Y
Senator JoNell Bakke	Y
Representatives	
Chair Robin Weisz	Y
Vice Chair Todd Porter	Y
Representative Jason Dockter	Y
Representative David Richter	Y
Representative Scott Louser	Y
Representative Emily O'Brien	Y
Representative Shannon Roers Jones	Y
Representative Karla Rose Hanson	Y

Motion carries 16-0-0
Senator Schaible and Representative Louser carries.

Co-Chair Lee Adjourns the meeting [4:37]

Sheldon Wolf, Committee Clerk

November 10, 2021

DB 11/10/21
1 of 1

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1515

Page 1, line 3, after the second semicolon insert "and"

Page 1, line 3, remove "; and to declare an"

Page 1, line 4, remove "emergency"

Page 1, line 11, replace "five hundred" with "three hundred fifty"

Page 1, remove line 20

Renumber accordingly

REPORT OF STANDING COMMITTEE

HB 1515: Joint Technical Corrections Committee (Rep. Weisz, Co-Chairman)
recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends
BE PLACED ON THE CALENDAR WITHOUT RECOMMENDATION (16 YEAS, 0
NAYS, 0 ABSENT AND NOT VOTING). HB 1515 was placed on the Sixth order on
the calendar.

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Renumber accordingly

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21.1098.01002

Sixty-seventh
Legislative Assembly
of North Dakota

HOUSE BILL NO. 1515

Introduced by

Representatives Heinert, Bosch, Klemin, Meier, Nehring, Porter

Senators Bell, Dever, Larson, Poolman

1 A BILL for an Act to create and enact a new section to chapter 57-38 and a new subdivision to
2 subsection 7 of section 57-38-30.3 of the North Dakota Century Code, relating to an individual
3 income tax credit; to provide an effective date; and to provide an expiration date; and to declare
4 an emergency.

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

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

8 **Individual income tax credit.**

9 AAn individual that is a resident of this state for the entire taxable year is entitled to a
10 nonrefundable credit against the resident's income tax liability as determined under section
11 57-38-30.3 for the taxable year. The maximum credit that may be claimed by a resident under
12 this section for the taxable year isdeducted on any return may not exceed five hundred dollars
13 for any taxable year. The amount claimed may not exceed the amount of the resident's income
14 tax liability as determined under this chapter for the taxable year. Any credit amount exceeding
15 a resident's income tax liability for the taxable year may not be claimed as a carryback or
16 carryforward.

17 **SECTION 2.** A new subdivision to subsection 7 of section 57-38-30.3 of the North Dakota
18 Century Code is created and enacted as follows:

19 Individual income tax credit under section 1 of this Act.

20 **SECTION 3. EFFECTIVE DATE - EXPIRATION DATE.** This Act is effective for the first two
21 taxable years beginning after December 31, 2020, and is thereafter ineffective.

22 ~~—SECTION 4. EMERGENCY.~~ This Act is declared to be an emergency measure.

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1515

Page 1, line 3, after the second semicolon insert "and"

Page 1, line 3, remove "; and to declare an"

Page 1, line 4, remove "emergency"

Page 1, line 9, replace "A" with "An individual that is a"

Page 1, line 9, after "state" insert "for the entire taxable year"

Page 1, line 10, remove "that"

Page 1, line 11, replace "may be claimed by a resident under this section for the taxable year is" with "deducted on any return may not exceed"

Page 1, line 11, after "dollars" insert "for any taxable year"

Page 1, remove line 20

Renumber accordingly

From: Strombeck, Kathy L. kstrombeck@nd.gov
To: Koppelman, Ben bkoppelman@nd.gov
Cc: Rauschenberger, Ryan A. rarauschenberger@nd.gov
Date: Wed, Nov 10, 2021, 12:59 PM

Good afternoon Rep. Koppelman,

A tax credit of \$350 for single filers, and \$700 for married joint filers would have approximately the same fiscal impact as a tax credit of \$500 per return, for all filing statuses. The \$350/\$700 credit is estimated to cost \$211 million, while the \$500 for all filers is estimated at \$207 million for the biennium.

Subsection 3 of NDCC Section 57-38-30.3 requires the same filing status on the state return that a taxpayer uses on their federal return. In most cases, separating a federal return for a married couple would not be advantageous and may require additional tax preparation costs. Also, please note that there would be administrative hurdles for this office if the legislature simply removed the aforementioned section.

Please contact our office with any additional questions you may have regarding this bill or any other tax issue.

Kathy

Kathryn Strombeck

Director, Research and Communications

NORTH DAKOTA OFFICE OF STATE TAX COMMISSIONER

P: 701-328-3402 | nd.gov/tax



HB 1515 – Testimony by Dustin Gawrylow (Lobbyist #266) North Dakota Watchdog Network

House Bill 1515 at first glance looks like a great idea. However, I would like you to consider amending this two-year tax credit to a permanent rate reduction.

Some of you might remember about 10 years ago, the fight over whether to let the Bush tax cuts expire.

Republicans, including myself, said that by not extending the Bush Tax Cuts, that Democrats were actually raising taxes.

So I would suggest that you save yourself from having to explain why letting this tax credit expire is any different than when Democrats let the Bush Tax Cuts expire.

When you create a policy that results in a tax increase with no other action, you are opening yourself up to being attacked for letting taxes go up.

So please consider saving yourself a lot of grief in two years, and amend this into an across the board income tax rate reduction. With no sunset.

Thank you.

67th Legislative Assembly Special 2021 Session

Joint Technical Correction

Committee Members,

I am in favor of HB 1515, but in a certain way I am against it, because I think we can do better than what is in this bill. I do believe in the last session there were some legislators that had a plan to eliminate the ND state income tax and property taxes. I think there are certain businesses that are very prosperous that the state collects taxes from, that will ensure that the legislature can eliminate state income tax and property taxes. These taxes are the most immoral taxes that a government can collect. A tax on productivity and a tax on the ownership of property. Please amend this bill and make it better for the taxpayers of North Dakota.

Thank You,

Gordon Greenstein

US Navy (Veteran)

US Army (Retired)