

SEP 13 2013



STATE OF NORTH DAKOTA
OFFICE OF STATE TAX COMMISSIONER
Cory Fong, Commissioner

September 13, 2013

Mr. John Walstad
Code Revisor
Legislative Council
State Capitol
600 East Boulevard Avenue
Bismarck, North Dakota 58505

Re: Tax Commissioner's Notice of Hearing on Proposed Rule Changes

Dear Mr. Walstad:

Enclosed please find a copy of the Tax Commissioner's Notice of Hearing on Proposed Tax Rule Changes along with the proposed rules as required by N.D.C.C. § 28-32-02.

The hearing will be held on Tuesday, October 15, 2013, at 9:00 a.m., Central Time, at the North Dakota Office of State Tax Commissioner, on the 8th floor of the State Capitol Building.

If you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in blue ink that reads "Deb Klemmer".

Deb Klemmer
Rules Coordinator

Enclosures

**NOTICE OF INTENT TO
ADOPT AND AMEND ADMINISTRATIVE RULES**

TAKE NOTICE that the North Dakota State Tax Commissioner will hold a public hearing to address proposed new N.D. Admin. Code sections 81-03-09.1-02, 81-03-09.1-03, 81-03-09.1-04, 81-03-09.1-05, and 81-03-09.1-06 and amendments to N.D. Admin. Code section 81-03-09.1-01 at 9:00 a.m., Central Time on Tuesday, October 15, 2013, at the North Dakota Office of State Tax Commissioner, State Capitol Building, Eighth Floor, 600 East Boulevard Avenue, Bismarck, North Dakota, 58505-0599. The purpose of the proposed new and amended rules is to implement changes made by the 2013 legislative assembly.

The proposed new rules address definitions relating to the division of income for financial institutions, the apportionment and allocation provisions regarding the property, receipts, and payroll factors, and the date after which N.D. Admin Code chapter 81-03-09.1 will be applicable. The proposed amended rule addresses the special rule regarding how financial institutions shall allocate and apportion its net income. The proposed rulemaking implements Senate Bill 2325, enacted during the 2013 legislative session, concerning the repeal of the financial institutions tax and incorporates the former financial institutions tax apportionment and allocation provisions into the corporate income tax provisions. The proposed new and amended rules are not expected to have an impact on the regulated community in excess of \$50,000.

The proposed rules may be reviewed at the North Dakota Office of State Tax Commissioner, State Capitol Building, Eighth Floor, 600 East Boulevard Avenue, Bismarck, North Dakota, 58505-0599. A copy of the proposed rules and/or a regulatory analysis may be requested by writing Deb Klemmer, Rules Coordinator, at the above address, e-mailing dklemmer@nd.gov, or calling (701) 328-2775. Written or oral comments on the proposed rules sent to the above address or telephone number and received by October 25, 2013, will be fully considered.

If you plan to attend the public hearing and will need special facilities or assistance relating to a disability, please contact the State Tax Commissioner's Office at the above telephone number or address at least 10 days prior to the public hearing.

Dated this 12th day of September, 2013.

Cory Fong
Tax Commissioner