

(Return in triplicate)

FISCAL NOTE

Bill/Resolution No.: 1518 Amendment to: 1518

Requested by: Legislative Council Date of Receipt: January 22, 1983

Please estimate the fiscal impact of the above measure for:

State general or special funds       Counties       Cities

In the following space note the fiscal effect in dollars of this measure:

Narrative: Aircraft are presently taxed by the State Tax Department under a sales and use tax law in which all casual sales of new or used aircraft between private persons are exempt of all North Dakota sales and use taxes, regardless of whether the aircraft was purchased in or outside of North Dakota. In the most recent year, according to Aeronautics Commission registration records, there were 275 sales of new or used aircraft in the state in which 80% of these transactions were exempt of all state sales and use taxes because of the casual transaction exemption.

House Bill 1518 eliminates casual sales tax exemptions and requires the Aeronautics Commission to collect a one-time excise tax with no trade-in allowance, on the sale or use of aircraft, at the time the aircraft is registered with the commission.

Once the aircraft excise tax is collected from the purchaser on the sales price of the aircraft with no trade-in allowance, the aircraft is exempt from additional excise taxes in the state in future sales of the aircraft. This aircraft excise tax law is patterned after a similar law in South Dakota.

Ultralight Vehicles will be taxed for the first time under House Bill 1518.

State Fiscal Effect:

1983-84		1984-85		Biennium Total	
<u>Special Funds</u>	<u>General Fund</u>	<u>Special Funds</u>	<u>General Fund</u>	<u>Special Funds</u>	<u>General Fund</u>
	\$270,400*		\$347,700*		\$618,100*

\*NOTE: - Revenue increased from original FISCAL NOTE on House Bill No. 1518 because the House Finance and Taxation Committee amended this bill on February 2, 1983 which increased excise tax on aircraft sales from 3% to 4% and on agricultural aircraft sales from 2% to 3%. SEE ATTACHED AMENDMENT.

County and City Fiscal Effect:

1983-84		1984-85		Biennium Total	
<u>Counties</u>	<u>Cities</u>	<u>Counties</u>	<u>Cities</u>	<u>Counties</u>	<u>Cities</u>

If additional space is needed, attach a supplemental sheet.

Signed Harold G. Vavra

Typed Name Harold G. Vavra, Director

Date prepared: Revised February 2, 1983 Department North Dakota Aeronautics Commission

FEBRUARY 2, 1983

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JOURNAL OF THE HOUSE

MADAM SPEAKER: Your Committee on Finance and Taxation to which was referred HB 1518 has had the same under consideration and recommends by a vote of 13 YEAS, 2 NAYS, 2 ABSENT AND NOT VOTING that the same BE AMENDED AS FOLLOWS and when so amended, recommends the same DO PASS and be rereferred to the Committee on Appropriations:

On page 1, line 4, delete the first word "to" and insert in lieu thereof the word "the"

On page 1, line 22, delete the word "may" and insert in lieu thereof the word "shall"

On page 2, line 11, after the period insert the following new sentence: "Purchase price" also means the fair market value when no current purchase is involved and the aircraft is moved by the owner or user from any other state into this state and on which no sales, use, or excise tax was paid by the owner or user to any other state, or on which a sales, use, or excise tax was paid by the owner or user to another state which does not have reciprocity with this state, and for which aircraft registration is required by section 2-05-11 or registration and licensing required is by section 2-05-18."

On page 3, line 27, after the word "aircraft" insert the words ", as determined by the director"

X On page 4, line 6, delete the word "three" and insert in lieu thereof the word "four"

X On page 4, line 14, delete the word "two" and insert in lieu thereof the word "three"

On page 5, delete lines 22 through 24

On page 7, line 17, after the word "who" insert the words "fails to submit a purchase certificate or who"

On page 7, line 25, after the first word "The" insert the words "director or the"

And renumber the lines, subsections, and pages accordingly  
REP. SINNER, Chairman

HB 1518 was placed on the Sixth order of business on the calendar for the succeeding legislative day.

MADAM SPEAKER: Your Committee on Education to which was referred HB 1597 has had the same under consideration and recommends by a vote of 13 YEAS, 0 NAYS, 4 ABSENT AND NOT VOTING that the same BE AMENDED AS FOLLOWS and when so amended, recommends the same DO PASS and be referred to the Committee on Appropriations: