

Introduced by

1 A BILL for an Act to amend and reenact section 57-38-29 and subsection 2 of section
2 57-38-30.3 of the North Dakota Century Code, relating to rates of individual income taxes; to
3 provide an appropriation for allocation to school districts to increase teachers' salaries and
4 benefits; and to provide an effective date.

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

6 **SECTION 1. AMENDMENT.** Section 57-38-29 of the North Dakota Century Code is
7 amended and reenacted as follows:

8 **57-38-29. Rate of tax on individuals.** A tax is hereby imposed upon every individual,
9 to be levied, collected, and paid annually with respect to the taxable income of such individual
10 as defined in this chapter, computed at the following rates:

- 11 1. On taxable income not in excess of three thousand dollars, a tax of two and
12 ~~sixty-seven~~ ninety-eight hundredths percent.
- 13 2. On taxable income in excess of three thousand dollars and not in excess of five
14 thousand dollars, a tax of four and forty-six hundredths percent.
- 15 3. On taxable income in excess of five thousand dollars and not in excess of eight
16 thousand dollars, a tax of five and ~~thirty-three~~ ninety-four hundredths percent.
- 17 4. On taxable income in excess of eight thousand dollars and not in excess of fifteen
18 thousand dollars, a tax of ~~six~~ seven and ~~sixty-seven~~ forty-three hundredths
19 percent.
- 20 5. On taxable income in excess of fifteen thousand dollars and not in excess of
21 twenty-five thousand dollars, a tax of eight and ninety-one hundredths percent.
- 22 6. On taxable income in excess of twenty-five thousand dollars and not in excess of
23 thirty-five thousand dollars, a tax of ~~nine~~ ten and ~~thirty-three~~ forty hundredths
24 percent.

7. On taxable income in excess of thirty-five thousand dollars and not in excess of fifty thousand dollars, a tax of ~~ten~~ eleven and ~~sixty-seven~~ eighty-nine hundredths percent.

8. On taxable income in excess of fifty thousand dollars, a tax of ~~twelve~~ thirteen and thirty-seven hundredths percent.

SECTION 2. AMENDMENT. Subsection 2 of section 57-38-30.3 of the 1999 Supplement to the North Dakota Century Code is amended and reenacted as follows:

2. A tax is hereby imposed for each taxable year upon income earned or received in that taxable year by every resident and nonresident individual, estate, and trust. This tax is ~~fourteen~~ fifteen and six-tenths percent of the individual's, estate's, or trust's adjusted federal income tax liability for the taxable year.

SECTION 3. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$42,400,000, or so much of the sum as may be necessary, to the superintendent of public instruction for the purpose of allocating to school districts an amount equal to two hundred dollars per student, based on the September tenth fall enrollment report, for the biennium beginning July 1, 2001, and ending June 30, 2003. The superintendent of public instruction shall make the payments to school districts under this section before October tenth of each year of the biennium. The superintendent of public instruction may not allocate more than \$21,430,000 to school districts under this section in the first year of the biennium. The board of each school district shall determine the manner in which any funds received under this section are distributed, except that the funds may not be used for any purpose other than increasing the salaries and benefits of licensed teachers.

SECTION 4. EFFECTIVE DATE. Sections 1 and 2 of this Act are effective for taxable years beginning after December 31, 2000.

NOTE: Under Section 3, of this bill draft, the proposed use of the funds is an increase in the salaries and benefits of "licensed" teachers. The committee may wish to determine whether this designation is to include:

1. Classroom and nonclassroom teachers.
2. Individuals "approved" to teach by the Education Standards and Practices Board but not "licensed" to teach.
3. Individuals who split their time between classroom teaching and other administrative duties.