

**Fifty-sixth Legislative Assembly, State of North Dakota, begun in the  
Capitol in the City of Bismarck, on Tuesday, the fifth day of January,  
one thousand nine hundred and ninety-nine**

SENATE BILL NO. 2101  
(Finance and Taxation Committee)  
(At the request of the Tax Commissioner)

AN ACT to amend and reenact subsection 2 of section 57-34-03 and section 57-34-05 of the North Dakota Century Code, relating to deposit and distribution of the telecommunications carriers tax; to provide a continuing appropriation; to provide a transfer; to provide an effective date; and to declare an emergency.

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

**SECTION 1. AMENDMENT.** Subsection 2 of section 57-34-03 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

2. A telecommunications carrier's customer in this state is entitled to a refund equal to two and one-half percent of the amount of telecommunications service charges paid to telecommunications carriers by that customer in excess of eight hundred thousand dollars in a calendar year. A refund claim under this subsection must be filed with the tax commissioner before July first of the year following the calendar year for which the refund is claimed. A claim for refund must be made in the manner prescribed by the tax commissioner. Refunds under this subsection must be paid by the tax commissioner from tax collections under this chapter and are appropriated from the telecommunications carriers tax fund as a standing and continuing appropriation to the tax commissioner for that purpose.

**SECTION 2. AMENDMENT.** Section 57-34-05 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**57-34-05. Deposit of tax revenues - Allocation to counties - Telecommunications carriers tax fund - Continuing appropriation.** Net gross receipts tax revenues of up to eight million four hundred thousand dollars per taxable year under this chapter must be deposited in a special fund in the state treasury, the telecommunications carriers tax fund. Net gross receipts tax revenues under this chapter exceeding eight million four hundred thousand dollars in a taxable year must be deposited in the state general fund. For purposes of this section, "net gross receipts tax revenues" means gross receipts tax revenues minus any refunds paid under section 57-34-03. The tax commissioner shall allocate ~~net gross receipts tax revenues~~ moneys in the telecommunications carriers tax fund among counties in the same proportion that taxes paid by telecommunications carriers in locally assessed property taxes and taxes assessed under chapter 57-06 and this chapter in 1997 and received by taxing districts in the county bears to all taxes paid by telecommunications carriers in locally assessed property taxes and taxes assessed under chapter 57-06 and this chapter in 1997 and received by taxing districts in the state. ~~Gross receipts tax revenues of~~ The balance of the telecommunications carriers tax fund, ~~not exceeding eight million four hundred thousand dollars per taxable year are, is~~ appropriated as a standing and continuing appropriation to the tax commissioner for allocation to counties under this section ~~and any gross receipts tax revenues exceeding that appropriation in any taxable year must be deposited in the state general fund.~~ If gross receipts tax revenues available for allocation in a taxable year are less than eight million four hundred thousand dollars, there is appropriated as a standing and continuing appropriation from the state general fund the amount that, when added to gross receipts tax revenues available for allocation from the telecommunications carriers tax fund for the taxable year, results in allocation of eight million four hundred thousand dollars to counties per taxable year. On or before the first day of March of each year, the tax commissioner shall certify for payment to the state treasurer an amount determined to be due each county. The state treasurer shall remit the certified amount to the county treasurers according to the allocation made by the tax commissioner under this section not later than the tenth working day in March of each year.

**SECTION 3. TRANSFER.** Within five days after the effective date of this Act, the state treasurer shall transfer net gross receipts tax revenues collected under chapter 57-34 for taxable year 1998 from the state general fund to the telecommunications carriers tax fund, but the transfer under this section may not exceed the limitation on deposits in the telecommunications carriers tax fund under section 57-34-05.

**SECTION 4. EFFECTIVE DATE.** This Act is retroactively effective for taxable years beginning after December 31, 1997.

**SECTION 5. EMERGENCY.** This Act is declared to be an emergency measure.

\_\_\_\_\_  
President of the Senate

\_\_\_\_\_  
Speaker of the House

\_\_\_\_\_  
Secretary of the Senate

\_\_\_\_\_  
Chief Clerk of the House

This certifies that the within bill originated in the Senate of the Fifty-sixth Legislative Assembly of North Dakota and is known on the records of that body as Senate Bill No. 2101 and that two-thirds of the members-elect of the Senate voted in favor of said law.

Vote:      Yeas          48              Nays          0              Absent        1

\_\_\_\_\_  
President of the Senate

\_\_\_\_\_  
Secretary of the Senate

This certifies that two-thirds of the members-elect of the House of Representatives voted in favor of said law.

Vote:      Yeas          96              Nays          0              Absent        2

\_\_\_\_\_  
Speaker of the House

\_\_\_\_\_  
Chief Clerk of the House

Received by the Governor at \_\_\_\_\_ M. on \_\_\_\_\_, 1999.

Approved at \_\_\_\_\_ M. on \_\_\_\_\_, 1999.

\_\_\_\_\_  
Governor

Filed in this office this \_\_\_\_\_ day of \_\_\_\_\_, 1999,  
at \_\_\_\_ o'clock \_\_\_\_\_ M.

\_\_\_\_\_  
Secretary of State