

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/83) 3M



ROLL NUMBER

DESCRIPTION

1072

2001 HOUSE FINANCE AND TAXATION

HB 1072

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1072

House Finance and Taxation Committee

☐ Conference Committee

Hearing Date January 10, 2001

Tape Number	Side A	Side B	Meter #
1	X		1,544
Committee Clerk Signature <i>Jamie Stein</i>			

Minutes:

REP. AL CARLSON, CHAIRMAN Opened the hearing with one committee member absent.

JOE BECKER, STAFF OF STATE TAX COMMISSIONER, Explained the bill, see attached written testimony.

REP. LLOYD Asked why the figure of \$500 was used and why they didn't go to a \$1000 figure.

JOE BECKER Stated there was no deep analysis done. He said they did not want to make it too high. If the committee feels the figure is too high, they could change it.

REP. CARLSON Asked if there was any trouble collecting the money.

JOE BECKER Stated, with respect to the \$250 rule, it has not been a problem.

REP. HERBEL Asked if there was any indication of what type of cost reduction there would be.

JOE BECKER Stated they did not have an analysis of the cost reduction at this point. The potential is 2400, not everyone will take advantage of this. Even in the \$250 range, not all of them are annual filers. They like the convenience of paying quarterly instead of getting a bill at the end of the year. We give them the option. The \$250 range was asked for by a small business in the Bismarek area, because they got tired of filing the paper four times a year. With no further testimony, the hearing was closed.

COMMITTEE ACTION 1-10-01 Tape 1, Side A, Meter 2074

In discussion, the question was asked, why not add the figure of \$1000, they felt it was a good idea to give them the option of quarterly or annual payments.

REP. RENNERFELDT Made a motion to change the figures from \$250 to \$1000.

REP. LLOYD Second the motion.

REP. KROEBER Asked about the companion bill which would be introduced

JOE BECKER Stated the companion bill will raise the payments from \$200 to \$500, he didn't think the department would have a problem with raising this figure as well, but stated he would have to check with them. The bills do not need to tie together.

DONNITA WALD , ATTORNEY WITH THE TAX DEPARTMENT Responded regarding the estimated tax payment increasing to \$1000, she felt it would be kicking a lot of people out of that requirement, so you have a cash flow in interest. There would be interest income lost because there would be a lot less people filing.

REP. DROVDAL Stated he had a concern in raising the figure up to \$1000 for the small businesses. He felt the collection problem would be greater.

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House Finance and Taxation Committee
Bill/Resolution Number HB 1072
Hearing Date January 10, 2001

COMMITTEE ACTION, CONT'D.

The motion to amend the bill failed.

REP. DROVDAL Made a motion for a **DO PASS**.

REP. SCHMIDT Second the motion. **MOTION CARRIED.**

12 Yes 0 No 3 Absent

REP. GROSZ Was given the floor assignment.

FISCAL NOTE
Requested by Legislative Council
12/14/2000

Bill/Resolution No.: HB 1072

Amendment to:

1A. State fiscal effect: *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

1B. County, city, and school district fiscal effect: *Identify the fiscal effect on the appropriate political subdivision.*

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2. Narrative: *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

The fiscal impact of HB 1072 is expected to be less than \$5000 during the 2001-03 biennium.

3. State fiscal effect detail: *For information shown under state fiscal effect in 1A, please:*

A. Revenues: *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

B. Expenditures: *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

Name:	Kathryn L. Strombeck	Agency:	Tax Dept.
Phone Number:	328.3402	Date Prepared:	01/05/2001

Date: 1-10-01
Roll Call Vote #:

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO.

House FINANCE & TAXATION Committee

☐ Subcommittee on _____
or
☐ Conference Committee

Legislative Council Amendment Number to raise to 1000

Action Taken Amended failed

Motion Made By Rep. Perreault Seconded By Rep. Lloyd

Representatives	Yes	No	Representatives	Yes	No
CARLSON, AL, CHAIRMAN		<input checked="" type="checkbox"/>	NICHOLAS, EUGENE	<input checked="" type="checkbox"/>	
DROVDAL, DAVID, V-CHAIR		<input checked="" type="checkbox"/>	RENNER, DENNIS		<input checked="" type="checkbox"/>
BRANDENBURG, MICHAEL		<input checked="" type="checkbox"/>	RENNERFELDT, EARL	<input checked="" type="checkbox"/>	
CLARK, BYRON		<input checked="" type="checkbox"/>	SCHMIDT, ARLO		<input checked="" type="checkbox"/>
GROSZ, MICHAEL		<input checked="" type="checkbox"/>	WIKENHEISER, RAY		<input checked="" type="checkbox"/>
HERBEL, GIL		<input checked="" type="checkbox"/>	WINRICH, LONNY		<input checked="" type="checkbox"/>
KELSH, SCOT		<input checked="" type="checkbox"/>			
KROEBER, JOE		<input checked="" type="checkbox"/>			
LLOYD, EDWARD	<input checked="" type="checkbox"/>				

Total (Yes) 2 No 10

Absent _____

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

Date: 1-10-01
Roll Call Vote #: 1

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1072

House FINANCE & TAXATION

Committee

- ☐ Subcommittee on _____
or
☐ Conference Committee

Legislative Council Amendment Number _____

Action Taken

Do Pass

Motion Made By

Rep. Dnordal

Seconded By

Rep. Schmidt

Representatives	Yes	No	Representatives	Yes	No
CARLSON, AL, CHAIRMAN	✓		NICHOLAS, EUGENE	A	
DROVDAL, DAVID, V-CHAIR	✓		RENNER, DENNIS	✓	
BRANDENBURG, MICHAEL	A		RENNERFELDT, EARL	✓	
CLARK, BYRON	✓		SCHMIDT, ARLO	✓	
GROSZ, MICHAEL	✓		WIKENHEISER, RAY	✓	
HERBEL, GIL	✓		WINRICH, LONNY	✓	
KELSH, SCOT	A				
KROEBER, JOE	✓				
LLOYD, EDWARD	✓				

Total (Yes)

12

No

0

Absent

3

Floor Assignment

Rep. Grosz

If the vote is on an amendment, briefly indicate intent:

2001 SENATE FINANCE AND TAXATION

HB 1072

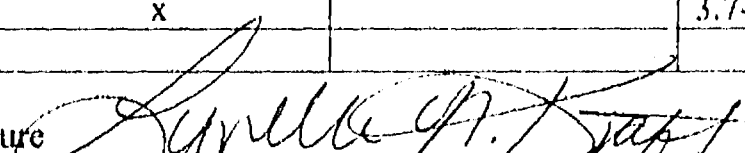
2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 1072

Senate Finance and Taxation Committee

☐ Conference Committee

Hearing Date 2/28/01

Tape Number	Side A	Side B	Meter #
1		x	26.5-31.5
2	x		3.7-4.3
Committee Clerk Signature 			

Minutes:

Senator Urlacher: Opened the hearing on HB 1072, relating to the requirements to file annual income tax withholding returns by employers.

Jill Weigel: State Tax Dept., testified in support. Written testimony attached.

Senator Urlacher: Is the postage and paperwork the main purpose

Jill Weigel: It's a small amount-about \$2,000 a year.

Senator Nichols: What would the employees' wages be to make the \$500?

Jill Weigel: Around \$10-15,000.

Senator Urlacher: Closed the hearing. Action delayed.

Discussion held later.

COMMITTEE ACTION:

Motion made by Senator Wardner for a DO PASS, Seconded by Senator Christmann.

Vote was 6 yeas, 0 nays, 0 absent and not voting. Bill carrier was Senator Wardner.

Date: 2/28/01
Roll Call Vote #: 1

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1072

Senate Finance and Taxation Committee

☐ Subcommittee on _____

or

☐ Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass

Motion Made By Wardner Seconded By Christmann

Senators	Yes	No	Senators	Yes	No
Senator Urlacher-Chairman	✓				
Senator Wardner-Vice Chairman	✓				
Senator Christmann	✓				
Senator Stenehjem	✓				
Senator Kroeplin	✓				
Senator Nichols	✓				

Total (Yes) 6 No 0

Absent 0

Floor Assignment Wardner

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410)
February 28, 2001 11:55 a.m.

Module No: SR-34-4435
Carrier: Wardner
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1072: Finance and Taxation Committee (Sen. Urlacher, Chairman) recommends DO PASS (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1072 was placed on the Fourteenth order on the calendar.

2001 TESTIMONY

, HB 1072

Testimony before the House Finance and Tax Committee House Bill 1072

January 10, 2001

Prepared by Joseph Becker, Auditor III
North Dakota Office of State Tax Commissioner

Mr. Chairman, members of the House Finance and Tax Committee:

My name is Joseph Becker, and I'm here representing the North Dakota Office of State Tax Commissioner. House Bill 1072 pertains to an employer's requirement to file an income tax withholding return.

In general, an employer who is required to withhold North Dakota income tax from the wages of an employee must file a withholding return on a quarterly basis, and the tax withheld during the quarter must be remitted with the return. There is an exception to this general rule—in 1995, legislation was passed that allows an employer to file an annual withholding return instead of a quarterly return if the amount of tax withheld from all employees during the previous year is less than \$250. If eligible to file on an annual basis, an employer has the option to file annually or quarterly.

This bill proposes to raise the annual filing threshold from \$250 to \$500. The Tax Commissioner is proposing this change for several reasons: (1) it will reduce paper, postage, and processing costs; (2) it will make the annual filing option available to more small business owners; and (3) the \$500 threshold is equal to the new threshold for estimated individual income tax payments that the Tax Commissioner is requesting in a separate bill—see House Bill 1078.

The Tax Commissioner requests your favorable consideration of this bill. If the committee has any questions, Mr. Chairman, I'd be happy to address them at this time.

**Testimony before the Senate Finance and Tax Committee
House Bill 1072**

February 28, 2001

Presented by Jill Weigel, Individual Income Tax Supervisor
North Dakota Office of State Tax Commissioner

Mr. Chairman, members of the Senate Finance and Tax Committee:

My name is Jill Weigel, and I'm here representing the North Dakota Office of State Tax Commissioner. House Bill 1072 pertains to an employer's requirement to file an income tax withholding return.

In general, an employer who is required to withhold North Dakota income tax from the wages of an employee must file a withholding return on a quarterly basis, and the tax withheld during the quarter must be remitted with the return. There is an exception to this general rule—in 1995, legislation was passed that allows an employer to file an annual withholding return instead of a quarterly return if the amount of tax withheld from all employees during the previous year is less than \$250. If eligible to file on an annual basis, an employer has the option to file annually or quarterly.

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The Tax Commissioner requests your favorable consideration of this bill. If the committee has any questions, Mr. Chairman, I'd be happy to address them at this time.