

Fifty-seventh
Legislative Assembly
of North Dakota

SENATE BILL NO. 2058

Introduced by

Finance and Taxation Committee

(At the request of the Tax Commissioner)

1 A BILL for an Act to amend and reenact section 57-01-13 of the North Dakota Century Code,
2 relating to the collection of delinquent telecommunications carriers tax from nonresident
3 taxpayers and service of payment requests to delinquent nonresident taxpayers before
4 assignment to a collection or credit agency.

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

6 **SECTION 1. AMENDMENT.** Section 57-01-13 of the North Dakota Century Code is
7 amended and reenacted as follows:

8 **57-01-13. (Contingent expiration date - See note) Collection of delinquent sales,**
9 **use, motor vehicle fuels, special fuels, importer for use, aviation fuel, motor vehicle**
10 **excise, telecommunications carriers, income, and business and corporation privilege**
11 **taxes.**

12 1. Notwithstanding the secrecy and confidential information provisions in chapters
13 57-38 ~~and~~ 57-39.2, and 57-40.2, the tax commissioner may, for the purpose of
14 collecting delinquent North Dakota sales, use, motor vehicle fuels, special fuels,
15 importer for use, aviation fuel, motor vehicle excise, telecommunications carriers,
16 income, or business and corporation privilege taxes due from a taxpayer not
17 residing or domiciled in this state, contract with any collection or credit agency,
18 within or without the state, for the collection of the delinquent sales, use, motor
19 vehicle fuels, special fuels, importer for use, aviation fuel, motor vehicle excise,
20 telecommunications carriers, income, or business and corporation privilege taxes,
21 including penalties and interest thereon. For purposes of this section, a delinquent
22 tax is defined as a tax liability that is due and owing for a period longer than six
23 months and for which the taxpayer has been given at least three notices in writing
24 requesting payment, ~~the first two~~. The notices, together with affidavits of mailing,

1 must be sent by ~~regular~~ first-class mail to the taxpayer at the taxpayer's last-known
2 mailing address ~~and the third notice must be sent by certified or registered mail to~~
3 ~~the taxpayer's last-known mailing address.~~ If the tax commissioner has assigned a
4 delinquent tax liability pursuant to this section, subsequent sales, use, motor
5 vehicle fuels, special fuels, importer for use, aviation fuel, motor vehicle excise,
6 telecommunications carriers, income, or business and corporation privilege taxes
7 that become due from the same taxpayer may be assigned immediately and
8 without further notice to the taxpayer, so long as the originally assigned liability has
9 not been fully collected.

- 10 2. a. Fees for services, reimbursement, or any other remuneration to a collection or
11 credit agency must be based on the amount of tax, penalty, and interest
12 actually collected. Each contract entered into between the tax commissioner
13 and the collection or credit agency must provide for the payment of fees for
14 the services, reimbursements, or other remuneration not in excess of fifty
15 percent of the amount of delinquent sales, use, motor vehicle fuels, special
16 fuels, importer for use, aviation fuel, motor vehicle excise, income, or
17 business and corporation privilege tax, including penalties and interest
18 actually collected.
- 19 b. All funds collected by the collection or credit agency must be remitted to the
20 tax commissioner monthly from the date of collection from a taxpayer. Forms
21 to be used for the remittances must be prescribed by the tax commissioner.
22 The tax commissioner shall transfer the funds to the state treasurer for
23 deposit in the state general fund. An amount equal to the amount of fees for
24 services, reimbursement, or any other remuneration to the collection or credit
25 agency as set forth in the contract authorized by this section is appropriated
26 as a standing and continuing appropriation to the tax commissioner for
27 payment of fees due under the contract.
- 28 c. Before entering into a contract, the tax commissioner shall require a bond
29 from the collection or credit agency not in excess of ten thousand dollars,
30 guaranteeing compliance with the terms of the contract.

- 1 3. A collection or credit agency entering into a contract with the tax commissioner for
2 the collection of delinquent taxes pursuant to this section thereby agrees that it is
3 doing business in this state for the purposes of the North Dakota income tax and
4 business and corporation privilege tax laws.

5 **(Contingent effective date - See note) Collection of delinquent sales, use, motor**
6 **vehicle fuels, special fuels, importer for use, aviation fuel, motor vehicle excise,**
7 **telecommunications carriers, income, and business and corporation privilege taxes.**

- 8 1. Notwithstanding the secrecy and confidential information provisions in chapters
9 57-38 and 57-39.2, the tax commissioner may, for the purpose of collecting
10 delinquent North Dakota sales, use, motor vehicle fuels, special fuels, importer for
11 use, aviation fuel, motor vehicle excise, telecommunications carriers, income, or
12 business and corporation privilege taxes due from a taxpayer not residing or
13 domiciled in this state, contract with any collection or credit agency, within or
14 without the state, for the collection of the delinquent sales, use, motor vehicle fuels,
15 special fuels, importer for use, aviation fuel, motor vehicle excise,
16 telecommunication carriers, income, or business and corporation privilege taxes,
17 including penalties and interest thereon. For purposes of this section, a delinquent
18 tax is defined as a tax liability that is due and owing for a period longer than six
19 months and for which the taxpayer has been given at least three notices in writing
20 requesting payment,~~the first two. The notices, together with affidavits of mailing~~
21 must be sent by regular mail to the taxpayer at the taxpayer's last-known mailing
22 address ~~and the third notice must be sent by certified or registered mail to the~~
23 taxpayer's last-known mailing address. If the tax commissioner has assigned a
24 delinquent tax liability pursuant to this section, subsequent sales, use, motor
25 vehicle fuels, special fuels, importer for use, aviation fuel, motor vehicle excise,
26 income, or business and corporation privilege taxes that become due from the
27 same taxpayer may be assigned immediately and without further notice to the
28 taxpayer, so long as the originally assigned liability has not been fully collected.
- 29 2. a. Fees for services, reimbursement, or any other remuneration to a collection or
30 credit agency must be based on the amount of tax, penalty, and interest
31 actually collected. Each contract entered into between the tax commissioner

- 1 and the collection or credit agency must provide for the payment of fees for
- 2 the services, reimbursements, or other remuneration not in excess of fifty
- 3 percent of the amount of delinquent sales, use, motor vehicle fuels, special
- 4 fuels, importer for use, aviation fuel, motor vehicle excise, income, or
- 5 business and corporation privilege tax, including penalties and interest
- 6 actually collected.
- 7 b. All funds collected, less the fees for collection services, as provided in the
- 8 contract, must be remitted to the tax commissioner monthly from the date of
- 9 collection from a taxpayer. Forms to be used for the remittances must be
- 10 prescribed by the tax commissioner.
- 11 c. Before entering into a contract, the tax commissioner shall require a bond
- 12 from the collection or credit agency not in excess of ten thousand dollars,
- 13 guaranteeing compliance with the terms of the contract.
- 14 3. A collection or credit agency entering into a contract with the tax commissioner for
- 15 the collection of delinquent taxes pursuant to this section thereby agrees that it is
- 16 doing business in this state for the purposes of the North Dakota income tax and
- 17 business and corporation privilege tax laws.