

FISCAL NOTE

Requested by Legislative Council

01/22/2003

Bill/Resolution No.: SB 2286

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.*

2001-2003 Biennium		2003-2005 Biennium		2005-2007 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.*

2001-2003 Biennium			2003-2005 Biennium			2005-2007 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 first provision of SB 2286 will reduce the amount of gross receipts tax paid by two transmission cooperatives. It allows them to deduct from taxable gross receipts the cost of electric energy purchased for resale. Because gross receipts taxes paid by rural electric cooperatives are distributed to all political subdivisions in which the lines are located, the State Medical Center, counties, cities, school districts and other taxing districts will all experience a loss in revenue.

It is not possible to estimate the amount of revenue that will be lost. The maximum possible amount per fiscal year is the total amount paid by the two cooperatives, which is approximately \$449,000 for one year, or \$898,000 for a biennium. That amount, less the tax on any markup included in the cooperatives' gross receipts and the tax on any gross receipts from sources other than resale of electricity, is the maximum that could be lost by political subdivisions.

The second provision of SB 2286 allows any copoperative that purchases wind power for resale to deduct from its taxable gross receipts the cost of all such wind energy purchased for resale. Gross receipts tax revenue received by political subdivisions will be reduced by the amount attributable to wind energy.

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 Strombeck
Phone Number: 328-3402

Agency: Tax Dept.
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