

FISCAL NOTE

Requested by Legislative Council
01/17/2003

Bill/Resolution No.: SB 2226

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			(\$2,400,000)			
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.*

SB 2226 provides an income tax credit for dependent care expenses. The credit is based on a percentage of the federal dependent care credit. The most recent federal statistics available indicate 17,500 North Dakotans claim the federal credit, totaling \$6,750,000 annually. Most of these 17,500 taxpayers would qualify for the state credit, and possibly some additional taxpayers not utilizing the federal credit would qualify for the state credit as well. Using the percentages provided in SB 2226, we estimate the fiscal impact would be a reduction in state general fund revenues of -\$1.2 million per year. The negative fiscal impact could be higher if there is a significant number of taxpayers qualifying for the state credit who did not use the federal credit.

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.*

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Date Prepared: 01/24/2003