

2009 HOUSE FINANCE AND TAXATION

HB 1279

## 2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. **HB 1279**

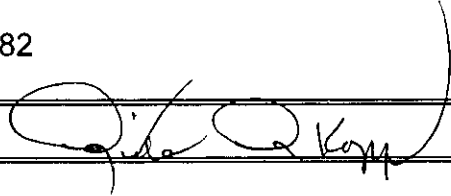
House Finance and Taxation Committee

☐ Check here for Conference Committee

Hearing Date: January 20, 2009

Recorder Job Number: 7282

Committee Clerk Signature



Minutes:

**Chairman Belter:** We will open the hearing on HB 1279.

**Representative Drovdal:** What a golden opportunity we have in North Dakota. We are considering a \$300 million property tax relief bill. Last session we had the privilege of sending \$116 million back to the taxpayers of North Dakota. This bill continues that effort by reducing income tax to the tune of \$100 million. Why? For one thing, not everybody pays property tax. This allows everybody to share in the growth we have had in North Dakota's economy. The tax on average is about 15%. In the high brackets, it is an 8% reduction. In the lower brackets, it works out somewhere around 20%. For those in the lower brackets, it will eliminate their taxes 100%. A comment was made earlier that when voters passed measure 2, they didn't want an income tax break. I don't believe that at all. What the votes said is they believe the Governor would do what he promised and work for a \$100 million tax break. The voters of North Dakota are smart enough to realize that by the legislature and the Governor giving the tax break, we have some flexibility in case the economy happened to turn around. I also agree with the federal legislation that the Democrats and Republicans have that allows the people to have their money for stimulating our economy. Why should we not continue to

stimulate North Dakota's economy? Therefore, I ask you to consider supporting HB 1279 and supporting all the good citizens of North Dakota.

**Representative Weiler:** Why not a flat rate straight across the board?

**Representative Drovdal:** I am going to let the Tax Department handle the technical questions about it.

**Representative Froelich:** I don't have a fiscal note.

**Representative Drovdal:** \$100 million.

**Representative Headland:** Mr. Chairman, I support this bill for the same reasons that I was up here before you on the prior two bills. I believe with our surplus that it is the perfect opportunity to help further stimulate our economy in ND by sending some of the excess money back to the people who paid it. I stand in support of HB 1279.

**Senator Joe Miller: (Testimony 1).**

**Senator Randy Christmann:** I will try to move quickly. Others following me know details of the bill better than me. I have two points I wanted to make to counter things that I have heard questioning this bill. One has to do with the measure defeated last fall. The vice chairman, a prime sponsor of the bill, did a very good job pointing out there is very little correlation between this and what we had last fall. The only thing I might suggest is that the vice chair change the first line of his testimony when he gets to the Senate. The other thing I wanted to discuss is sustainability. If we do get to the point where this is not sustainable, it is going to be because of the ever-increasing regulatory environment under which we live and other things out of our control, not because we failed to take too much money out of the paychecks and profits of ND citizens. I don't think there is going to be a problem with sustainability. I have served a few terms on Finance and Tax and now a few on Appropriations. I am confident that we have built

a strong enough economy with a sound tax policy and sound policy, in general, in ND and have built our economy to the point where this is sustainable.

**Ron Rauschenburger, Chief of Staff to the Governor:** I am here to offer support for HB 1279, the \$100 million individual income tax reduction. This bill will reduce the lowest bracket of personal income by 20% and the highest by 8%. The plan is sustainable and is built into the recommended budget by the Governor for 2009-2011. The \$100 million personal income tax plan is part of a balanced tax plan proposed by the Governor's Office, which also includes property tax relief that will be another bill. That involves \$300 million in property tax relief. This bill reduces the top rate of 5.54% to 5.12% and the lowest bracket from 2.1% to 1.68%. This bill also makes our state more competitive on economic issues. Personal income is always the basis that economic development groups, companies and small businesses look at as they look at our state. We feel this also gives us a scenario for attracting more business into the state. When this bill passes, ND will be the lowest broad-based individual income tax rate state in the nation. This bill also will provide 70% of the taxpayers with a 20% personal income tax reduction. This bill is timely and will provide some fiscal stimulus. As we know, any time money is put into the people's pocket, it does involve some fiscal stimulus. We think it is timely. We support this bill and hope that you, as a committee, will also support it. I am not a technical expert, but I can try to answer questions, but we have the Tax Department here for the technical parts.

**Representative Weiler:** Could you explain the reasoning behind not doing a flat rate cut and choosing to give the lowest income the biggest tax break?

**Ron Rauschenburger:** I think the Tax Department can give you a better analysis, but I will give it a shot. They did a 42 point basis across the board when figuring this relief plan. They could give you the more technical answer, but it was based on 42 points across the board.

**Representative Mike Nathe: (Testimony 2).**

**Bill Shalhoob, North Dakota Chamber of Commerce:** We also support this on behalf of all our small businesses, those we have detailed earlier who pay their taxes through the personal income tax. The one thing that was pointed out earlier is that this is broad based. It gets taxpayers and people who will not receive property tax relief, including businesses who rent or lease the space their business is in. I think that we can look at this as an economic stimulus that gets money into people's hands and people spend money once it is into their hands. It gets money into business hands and business has a tendency to reinvest that money when they get it into their building, into their equipment and business. We stand in support of this bill.

**Chairman Belter:** Further testimony in support of 1279? Any testimony in opposition to 1279? Any neutral testimony on 1279? Do committee members have any questions of the Tax Department. If not, we will close the hearing on 1279.

## 2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1279

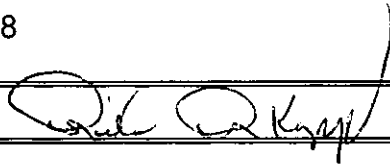
House Finance and Taxation Committee

☐ Check here for Conference Committee

Hearing Date: January 20, 2009

Recorder Job Number: 7338

Committee Clerk Signature



Minutes:

**Vice Chairman Drovdal:** Any discussion? When our chairman comes back, are you ready to vote or do we need more information?

**Representative Headland:** I would like to see how the brackets break down. If the Tax Department could show us how much reduction there is at this level and see how the \$100 million gets distributed out.

**Vice Chairman Drovdal:** Are you saying that you want to see what the actual dollar amount is in each bracket (inaudible)?

**Representative Headland:** Yes.

**Representative Weiler:** Mr. Chairman, I apologize but I already asked for that information from the Tax Department. I asked for it this morning. Basically what I want to know is how many people are in each bracket, and I understand some people are in all the brackets. But I want to know the dollar amount in each bracket and the percentage of the total in each bracket. When it was explained to the committee that the people in the top bracket get 8% and the people in the bottom bracket get 20%, that is just not acceptable to me to even come anywhere close to supporting that bill. I would ask the committee as a whole if there is any

willingness to make it a flat rate across the board or if we would want to look at changing that or leaving it the way it is.

**Vice Chairman Drovdal:** Every bill is open to amendment.

**Representative Weiler:** I understand, but I am not going to go through the council's time and waste the committee's time if there is no interest in changing.

**Vice Chairman Drovdal:** I would think we need the information before we make a decision.

Thank you for requesting that information. They are going to provide you with those numbers?

Any other questions on HB 1279. We will put that aside.

## 2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1279

House Finance and Taxation Committee

☐ Check here for Conference Committee

Hearing Date: 02/04/09

Recorder Job Number: 8722

Committee Clerk Signature

*Lou Engelson*

Minutes:

**Chairman Belter** opened the hearing on HB 1279.

**Rep. Headland:** I've got an amendment here that would lower the fiscal impact of HB 1279 to \$60,000,000 and another change that was made was that it will provide equal percentage reduction in every bracket.

**Chairman Belter:** Are you going to move the amendments?

**Rep. Headland:** I so move the amendments.

**Chairman Belter:** Amendments number .0103 moved by Rep. Headland on HB 1279.

Discussion. Question on what the bill does? The amendment does? If there are no questions, I'll call for a voice vote. All those in favor aye. Opposed. Motion carries. That bill is amended. We have HB 1279 before us as amended.

**Rep. Headland:** I move a do pass as amended. Re-referred.

**Chairman Belter:** Is there a second?

**Rep. Brandenburg:** Second.

**Chairman Belter:** The amendment will be re-referred to Appropriations. Second by Rep.

Brandenburg. Discussion on HB 1279 as amended? Seeing no discussion, I will ask the clerk to take roll call on 1279 on a do pass as amended.

**8 yes, 4 no, 1 absent. Rep. Headland was assigned to carry the bill.**

## 2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1279

House Finance and Taxation Committee

☐ Check here for Conference Committee

Hearing Date: February 11, 2009

Recorder Job Number: 9201

Committee Clerk Signature

Minutes:

**Chairman Belter:** Let's look at HB 1279. We have a motion to reconsider our action on HB 1279 which was a "do pass" from Representative Headland and a second from Representative Drovdal. Any discussion? By voice vote, the motion passed.

**Vice Chairman Drovdal:** I apologize first that there we are missing one element. I must have had the same guy working on amendments as Representative Weiler had working on his amendments. After the fiscal review we had Monday, I went back and asked for amendments to restore the \$40 million we had previously taken out of this bill back up to the \$100 million figure in tax reduction to the taxpayers of North Dakota at a rate in all five categories of about 13% straight on down the board. It does increase it to \$100 million. These are amendments .0201 and I move the amendments.

**Chairman Belter:** We have a motion from Representative Drovdal to move the .0201 amendments to HB 1279 and a second from Representative Headland. Any discussion?

**Representative Weiler:** What is the fiscal note on this?

**Vice Chairman Drovdal:** The one that they sent out showed a general fund reduction of \$100 million. This is included in the Governor's budget so there should be no fiscal note at all, but they did send one out and it is \$100 million which the Governor has in his budget.

**Chairman Belter:** Any other discussion? Any discussion on the amendments?

**Representative Froseth:** Are these the same rates we put in the other bill?

**Vice Chairman Drovdal:** That is correct. They were just put into HB 1324. The bills do the exact same thing only that sent out \$100 million right away. This one...we better do the amendments first.

**Chairman Belter:** Any more discussion on **the amendments .0201?** By voice vote, the **motion to approve the amendments .0201 passed.** We have HB 1279 before us.

**Vice Chairman Drovdal:** I still support—in fact, I support it even stronger now—HB 1279. It doesn't send out the \$100 million in the stimulus package, which I think is good to get the money out to the people. But this puts the tax rate down as of December 31, 2008, so that means the taxpayers start enjoying a break in the taxes starting in 2009 taxes so it goes with that. The state is getting that additional revenue in and I think we could lower it. If we do and the economy does turn around, we might have to raise it up again, but that's what we can do every two years. It doesn't demean a tax break for the citizens of North Dakota so I hope we can pass this out with a "do pass".

**Chairman Belter:** I would entertain a motion. I have a **"do pass"** from Representative Drovdal and a second from Representative ? **Motion fails.** We have a motion for a **"do not pass as amended"** on HB 1279 from Representative Weiler and a second from Representative Grande. Any discussion? **A roll call vote resulted in 10 ayes, 3 nays, and 0 absent/not voting. Representative Weiler will carry the bill.**

**FISCAL NOTE**  
**Requested by Legislative Council**  
02/16/2009

Amendment to: HB 1279

**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.*

	2007-2009 Biennium		2009-2011 Biennium		2011-2013 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues			(\$100,000,000)			
Expenditures						
Appropriations						

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

2007-2009 Biennium			2009-2011 Biennium			2011-2013 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

**2A. Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

Engrossed HB 1279 reduces the tax rates on the state's primary individual income tax return, Form ND-1.

**B. Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

Engrossed HB 1279 updates all individual income tax brackets for Form ND-1 to the indexed level for tax year 2009. There is no fiscal impact to the bracket updating (indexing is required under current law). The tax rate in each bracket is reduced by approximately 13.8%.

If enacted, Engrossed HB 1279 is expected to reduce state general fund revenues by approximately \$100 million in the 2009-2011 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, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

<b>Name:</b>	Kathryn L. Strombeck	<b>Agency:</b>	Office of Tax Commissioner
<b>Phone Number:</b>	328-3402	<b>Date Prepared:</b>	02/16/2009

**FISCAL NOTE**  
**Requested by Legislative Council**  
01/12/2009

Bill/Resolution No.: HB 1279

**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.*

	2007-2009 Biennium		2009-2011 Biennium		2011-2013 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues			(\$100,000,000)			
Expenditures						
Appropriations						

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

2007-2009 Biennium			2009-2011 Biennium			2011-2013 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

**2A. Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

HB 1279 reduces the tax rates on the state's primary individual income tax return, Form ND-1.

**B. Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

HB 1279 updates all individual income tax brackets for Form ND-1 to the indexed level for tax year 2009. There is no fiscal impact to the bracket updating (indexing is required under current law). Each tax rate is reduced by .42%, resulting in ND-1 tax rates that range from 1.68% to 5.12% of taxable income.

**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.*

If enacted, HB 1279 is expected to reduce state general fund revenues by approximately \$100 million in the 2009-2011 biennium.

The provisions of this bill are contained 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, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

<b>Name:</b>	Kathryn L. Strombeck	<b>Agency:</b>	Office of Tax Commissioner
<b>Phone Number:</b>	328-3402	<b>Date Prepared:</b>	01/17/2009

VR  
2/4/09  
1082

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1279

Page 1, replace lines 20 through 24 with:

"a. Single, other than head of household or surviving spouse.  
If North Dakota taxable income is: The tax is equal to:  
Not over ~~\$27,050~~ \$33,950 ~~2.10%~~ 1.93%  
Over ~~\$27,050~~ \$33,950 but not ~~\$568.06~~ \$655.24 plus ~~3.92%~~ 3.61%  
over ~~\$65,550~~ \$82,250 of amount over ~~\$27,050~~ \$33,950  
Over ~~\$65,550~~ \$82,250 but not ~~\$2,077.25~~ \$2,398.87 plus ~~4.34%~~ 4.00%  
over ~~\$136,750~~ \$171,550 of amount over ~~\$65,550~~ \$82,250  
Over ~~\$136,750~~ \$171,550 but not ~~\$5,167.33~~ \$5,970.87 plus ~~5.04%~~ 4.64%  
over ~~\$297,350~~ \$372,950 of amount over ~~\$136,750~~ \$171,550  
Over ~~\$297,350~~ \$372,950 ~~\$13,261.67~~ \$15,315.83 plus ~~5.54%~~ 5.10%  
of amount over ~~\$297,350~~ \$372,950

b. Married filing jointly and surviving spouse.  
If North Dakota taxable income is: The tax is equal to:  
Not over ~~\$45,200~~ \$56,750 ~~2.10%~~ 1.93%  
Over ~~\$45,200~~ \$56,750 but not ~~\$949.20~~ \$1,095.28 plus ~~3.92%~~ 3.61%  
over ~~\$109,250~~ \$137,050 of amount over ~~\$45,200~~ \$56,750  
Over ~~\$109,250~~ \$137,050 but not ~~\$3,459.06~~ \$3,994.11 plus ~~4.34%~~ 4.00%  
over ~~\$166,500~~ \$208,850 of amount over ~~\$109,250~~ \$137,050  
Over ~~\$166,500~~ \$208,850 but not ~~\$5,944.61~~ \$6,866.11 plus ~~5.04%~~ 4.64%  
over ~~\$297,350~~ \$372,950 of amount over ~~\$166,500~~ \$208,850  
Over ~~\$297,350~~ \$372,950 ~~\$12,539.45~~ \$14,480.35 plus ~~5.54%~~ 5.10%  
of amount over ~~\$297,350~~ \$372,950

c. Married filing separately.  
If North Dakota taxable income is: The tax is equal to:  
Not over ~~\$22,600~~ \$28,375 ~~2.10%~~ 1.93%  
Over ~~\$22,600~~ \$28,375 but not ~~\$474.60~~ \$547.64 plus ~~3.92%~~ 3.61%  
over ~~\$54,625~~ \$68,525 of amount over ~~\$22,600~~ \$28,375  
Over ~~\$54,625~~ \$68,525 but not ~~\$1,729.08~~ \$1,997.05 plus ~~4.34%~~ 4.00%  
over ~~\$83,250~~ \$104,425 of amount over ~~\$54,625~~ \$68,525  
Over ~~\$83,250~~ \$104,425 but not ~~\$2,072.31~~ \$3,433.05 plus ~~5.04%~~ 4.64%  
over ~~\$148,675~~ \$186,475 of amount over ~~\$83,250~~ \$104,425  
Over ~~\$148,675~~ \$186,475 ~~\$6,269.73~~ \$7,240.17 plus ~~5.54%~~ 5.10%  
of amount over ~~\$148,675~~ \$186,475

d. Head of household.  
If North Dakota taxable income is: The tax is equal to:  
Not over ~~\$36,250~~ \$45,500 ~~2.10%~~ 1.93%  
Over ~~\$36,250~~ \$45,500 but not ~~\$761.25~~ \$878.15 plus ~~3.92%~~ 3.61%  
over ~~\$93,650~~ \$117,450 of amount over ~~\$36,250~~ \$45,500  
Over ~~\$93,650~~ \$117,450 but not ~~\$3,011.33~~ \$3,475.55 plus ~~4.34%~~ 4.00%  
over ~~\$151,650~~ \$190,200 of amount over ~~\$93,650~~ \$117,450  
Over ~~\$151,650~~ \$190,200 but not ~~\$5,528.53~~ \$6,385.55 plus ~~5.04%~~ 4.64%  
over ~~\$297,350~~ \$372,950 of amount over ~~\$151,650~~ \$190,200  
Over ~~\$297,350~~ \$372,950 ~~\$12,871.81~~ \$14,865.15 plus ~~5.54%~~ 5.10%  
of amount over ~~\$297,350~~ \$372,950

e. Estates and trusts.

2 of 2

If North Dakota taxable income is:

Not over ~~\$1,800~~ \$2,300  
Over ~~\$1,800~~ \$2,300 but not  
over ~~\$4,250~~ \$5,350  
Over ~~\$4,250~~ \$5,350 but not  
over ~~\$6,500~~ \$8,200  
Over ~~\$6,500~~ \$8,200 but not  
over ~~\$8,000~~ \$11,150  
Over ~~\$8,000~~ \$11,150

The tax is equal to:

~~2.10%~~ 1.93%  
~~\$37.80~~ \$44.39 plus ~~3.02%~~ 3.61%  
of amount over ~~\$1,800~~ \$2,300  
~~\$133.84~~ \$154.50 plus ~~4.34%~~ 4.00%  
of amount over ~~\$4,250~~ \$5,350  
~~\$231.49~~ \$268.50 plus ~~5.04%~~ 4.64%  
of amount over ~~\$6,500~~ \$8,200  
~~\$352.45~~ \$405.38 plus ~~5.54%~~ 5.10%  
of amount over ~~\$8,000~~ \$11,150"

Page 2, remove lines 1 through 31

Page 3, remove lines 1 through 19

Renumber accordingly

Date: 3/4/07

Roll Call Vote #: \_\_\_\_\_

**2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES**  
**BILL/RESOLUTION NO. 1279**

House FINANCE AND TAXATION Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number Amendment

Action Taken ☐ Do Pass ☐ Do Not Pass ☐ Amended

Motion Made By \_\_\_\_\_ Seconded By \_\_\_\_\_

Representatives	Yes	No	Representatives	Yes	No
Chairman Wesley R. Belter			Representative Froelich		
Vice Chairman David Drovda			Representative Kelsh		
Representative Brandenburg			Representative Pinkerton		
Representative Froseth			Representative Schmidt		
Representative Grande			Representative Winrich		
Representative Headland					
Representative Weiler					
Representative Wrangham					

Total (Yes) \_\_\_\_\_ No \_\_\_\_\_

Absent \_\_\_\_\_

Floor Assignment \_\_\_\_\_

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

Motion Carries

Date: 2/4/09

Roll Call Vote #: 1

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 1279

House FINANCE AND TAXATION Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken ☒ Do Pass ☐ Do Not Pass ☒ Amended

Motion Made By Headland Seconded By Brandenburg

Representatives	Yes	No	Representatives	Yes	No
Chairman Wesley R. Belter	/		Representative Froelich		/
Vice Chairman David Drovdal	/		Representative Kelsh		/
Representative Brandenburg	/		Representative Pinkerton		/
Representative Froseth	/		Representative Schmidt		/
Representative Grande	/		Representative Winrich		/
Representative Headland	/				
Representative Weiler	/				
Representative Wrangham	/				

Total (Yes) 8 No 4

Absent 1

Floor Assignment Headland

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

*Referred to Appropriations*

**REPORT OF STANDING COMMITTEE**

**HB 1279: Finance and Taxation Committee (Rep. Belter, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (8 YEAS, 4 NAYS, 1 ABSENT AND NOT VOTING). HB 1279 was placed on the Sixth order on the calendar.

Page 1, replace lines 20 through 24 with:

"a. Single, other than head of household or surviving spouse.  
If North Dakota taxable income is:  
Not over ~~\$27,050~~ \$33,950  
Over ~~\$27,050~~ \$33,950 but not  
over ~~\$66,550~~ \$82,250  
Over ~~\$66,550~~ \$82,250 but not  
over ~~\$136,750~~ \$171,550  
Over ~~\$136,750~~ \$171,550 but not  
over ~~\$297,350~~ \$372,950  
Over ~~\$297,350~~ \$372,950

The tax is equal to:  
~~2.10%~~ 1.93%  
~~\$568.05~~ \$655.24 plus ~~3.92%~~ 3.61%  
of amount over ~~\$27,050~~ \$33,950  
~~\$2,077.25~~ \$2,398.87 plus ~~4.34%~~ 4.00%  
of amount over ~~\$66,550~~ \$82,250  
~~\$5,167.33~~ \$5,970.87 plus ~~5.04%~~ 4.64%  
of amount over ~~\$136,750~~ \$171,550  
~~\$13,261.57~~ \$15,315.83 plus ~~5.54%~~ 5.10%  
of amount over ~~\$297,350~~ \$372,950

b. Married filing jointly and surviving spouse.  
If North Dakota taxable income is:  
Not over ~~\$46,200~~ \$56,750  
Over ~~\$46,200~~ \$56,750 but not  
over ~~\$109,250~~ \$137,050  
Over ~~\$109,250~~ \$137,050 but not  
over ~~\$166,500~~ \$208,850  
Over ~~\$166,500~~ \$208,850 but not  
over ~~\$297,350~~ \$372,950  
Over ~~\$297,350~~ \$372,950

The tax is equal to:  
~~2.10%~~ 1.93%  
~~\$940.20~~ \$1,095.28 plus ~~3.92%~~ 3.61%  
of amount over ~~\$46,200~~ \$56,750  
~~\$3,459.96~~ \$3,994.11 plus ~~4.34%~~ 4.00%  
of amount over ~~\$109,250~~ \$137,050  
~~\$5,944.61~~ \$6,866.11 plus ~~5.04%~~ 4.64%  
of amount over ~~\$166,500~~ \$208,850  
~~\$12,539.45~~ \$14,480.35 plus ~~5.54%~~ 5.10%  
of amount over ~~\$297,350~~ \$372,950

c. Married filing separately.  
If North Dakota taxable income is:  
Not over ~~\$22,600~~ \$28,375  
Over ~~\$22,600~~ \$28,375 but not  
over ~~\$54,625~~ \$68,525  
Over ~~\$54,625~~ \$68,525 but not  
over ~~\$83,250~~ \$104,425  
Over ~~\$83,250~~ \$104,425 but not  
over ~~\$148,675~~ \$186,475  
Over ~~\$148,675~~ \$186,475

The tax is equal to:  
~~2.10%~~ 1.93%  
~~\$474.60~~ \$547.64 plus ~~3.92%~~ 3.61%  
of amount over ~~\$22,600~~ \$28,375  
~~\$1,729.98~~ \$1,997.05 plus ~~4.34%~~ 4.00%  
of amount over ~~\$54,625~~ \$68,525  
~~\$2,972.31~~ \$3,433.05 plus ~~5.04%~~ 4.64%  
of amount over ~~\$83,250~~ \$104,425  
~~\$6,260.73~~ \$7,240.17 plus ~~5.54%~~ 5.10%  
of amount over ~~\$148,675~~ \$186,475

d. Head of household.  
If North Dakota taxable income is:  
Not over ~~\$36,250~~ \$45,500  
Over ~~\$36,250~~ \$45,500 but not  
over ~~\$93,650~~ \$117,450  
Over ~~\$93,650~~ \$117,450 but not  
over ~~\$151,650~~ \$190,200  
Over ~~\$151,650~~ \$190,200 but not  
over ~~\$297,350~~ \$372,950  
Over ~~\$297,350~~ \$372,950

The tax is equal to:  
~~2.10%~~ 1.93%  
~~\$761.25~~ \$878.15 plus ~~3.92%~~ 3.61%  
of amount over ~~\$36,250~~ \$45,500  
~~\$3,011.33~~ \$3,475.55 plus ~~4.34%~~ 4.00%  
of amount over ~~\$93,650~~ \$117,450  
~~\$5,528.53~~ \$6,385.55 plus ~~5.04%~~ 4.64%  
of amount over ~~\$151,650~~ \$190,200  
~~\$12,871.81~~ \$14,865.15 plus ~~5.54%~~ 5.10%  
of amount over ~~\$297,350~~ \$372,950

e. Estates and trusts.

If North Dakota taxable income is:

Not over ~~\$1,800~~ \$2,300  
Over ~~\$1,800~~ \$2,300 but not  
over ~~\$4,250~~ \$5,350  
Over ~~\$4,250~~ \$5,350 but not  
over ~~\$6,500~~ \$8,200  
Over ~~\$6,500~~ \$8,200 but not  
over ~~\$8,900~~ \$11,150  
Over ~~\$8,900~~ \$11,150

The tax is equal to:

~~2.10%~~ 1.93%  
~~\$37.80~~ \$44.39 plus ~~3.92%~~ 3.61%  
of amount over ~~\$1,800~~ \$2,300  
~~\$133.84~~ \$154.50 plus ~~4.34%~~ 4.00%  
of amount over ~~\$4,250~~ \$5,350  
~~\$231.40~~ \$268.50 plus ~~5.04%~~ 4.64%  
of amount over ~~\$6,500~~ \$8,200  
~~\$352.45~~ \$405.38 plus ~~5.54%~~ 5.10%  
of amount over ~~\$8,900~~ \$11,150"

Page 2, remove lines 1 through 31

Page 3, remove lines 1 through 19

Renumber accordingly

Date: 2/11/09

Roll Call Vote #: 1

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 1277

House FINANCE AND TAXATION Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number Motion to reconsider

Action Taken ☐ Do Pass ☐ Do Not Pass ☐ Amended

Motion Made By Headland Seconded By Drovdal

Representatives	Yes	No	Representatives	Yes	No
Chairman Wesley R. Belter			Representative Froelich		
Vice Chairman David Drovdal			Representative Kelsh		
Representative Brandenburg			Representative Pinkerton		
Representative Froseth			Representative Schmidt		
Representative Grande			Representative Winrich		
Representative Headland					
Representative Weiler					
Representative Wrangham					

Total (Yes) \_\_\_\_\_ No \_\_\_\_\_

Absent \_\_\_\_\_

Floor Assignment \_\_\_\_\_

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

Motion Carried

VR  
2/11/09  
182

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1279

In lieu of the amendments as printed on pages 361 and 362 of the House Journal, House Bill No. 1279 is amended as follows:

Page 1, replace lines 20 through 24 with:

"a. Single, other than head of household or surviving spouse.	
If North Dakota taxable income is:	The tax is equal to:
Not over <del>\$27,050</del> <u>\$33,950</u>	<del>2.10%</del> <u>1.81%</u>
Over <del>\$27,050</del> <u>\$33,950</u> but not	<del>\$568.05</del> <u>\$614.50</u> plus <del>3.92%</del> <u>3.38%</u>
over <del>\$65,550</del> <u>\$82,250</u>	of amount over <del>\$27,050</del> <u>\$33,950</u>
Over <del>\$65,550</del> <u>\$82,250</u> but not	<del>\$2,077.25</del> <u>\$2,247.04</u> plus <del>4.34%</del> <u>3.75%</u>
over <del>\$136,750</del> <u>\$171,550</u>	of amount over <del>\$65,550</del> <u>\$82,250</u>
Over <del>\$136,750</del> <u>\$171,550</u> but not	<del>\$5,167.33</del> <u>\$5,595.79</u> plus <del>5.04%</del> <u>4.35%</u>
over <del>\$297,350</del> <u>\$372,950</u>	of amount over <del>\$136,750</del> <u>\$171,550</u>
Over <del>\$297,350</del> <u>\$372,950</u>	<del>\$13,261.57</del> <u>\$14,356.69</u> plus <del>5.54%</del> <u>4.78%</u>
	of amount over <del>\$297,350</del> <u>\$372,950</u>
b. Married filing jointly and surviving spouse.	
If North Dakota taxable income is:	The tax is equal to:
Not over <del>\$45,200</del> <u>\$56,750</u>	<del>2.10%</del> <u>1.81%</u>
Over <del>\$45,200</del> <u>\$56,750</u> but not	<del>\$949.29</del> <u>\$1,027.18</u> plus <del>3.92%</del> <u>3.38%</u>
over <del>\$109,250</del> <u>\$137,050</u>	of amount over <del>\$45,200</del> <u>\$56,750</u>
Over <del>\$109,250</del> <u>\$137,050</u> but not	<del>\$3,459.96</del> <u>\$3,741.32</u> plus <del>4.34%</del> <u>3.75%</u>
over <del>\$166,500</del> <u>\$208,850</u>	of amount over <del>\$109,250</del> <u>\$137,050</u>
Over <del>\$166,500</del> <u>\$208,850</u> but not	<del>\$5,944.61</del> <u>\$6,433.82</u> plus <del>5.04%</del> <u>4.35%</u>
over <del>\$297,350</del> <u>\$372,950</u>	of amount over <del>\$166,500</del> <u>\$208,850</u>
Over <del>\$297,350</del> <u>\$372,950</u>	<del>\$12,539.45</del> <u>\$13,572.17</u> plus <del>5.54%</del> <u>4.78%</u>
	of amount over <del>\$297,350</del> <u>\$372,950</u>
c. Married filing separately.	
If North Dakota taxable income is:	The tax is equal to:
Not over <del>\$22,600</del> <u>\$28,375</u>	<del>2.10%</del> <u>1.81%</u>
Over <del>\$22,600</del> <u>\$28,375</u> but not	<del>\$474.60</del> <u>\$513.59</u> plus <del>3.92%</del> <u>3.38%</u>
over <del>\$54,625</del> <u>\$68,525</u>	of amount over <del>\$22,600</del> <u>\$28,375</u>
Over <del>\$54,625</del> <u>\$68,525</u> but not	<del>\$1,729.98</del> <u>\$1,870.66</u> plus <del>4.34%</del> <u>3.75%</u>
over <del>\$83,250</del> <u>\$104,425</u>	of amount over <del>\$54,625</del> <u>\$68,525</u>
Over <del>\$83,250</del> <u>\$104,425</u> but not	<del>\$2,972.31</del> <u>\$3,216.91</u> plus <del>5.04%</del> <u>4.35%</u>
over <del>\$148,675</del> <u>\$186,475</u>	of amount over <del>\$83,250</del> <u>\$104,425</u>
Over <del>\$148,675</del> <u>\$186,475</u>	<del>\$6,269.73</del> <u>\$6,786.08</u> plus <del>5.54%</del> <u>4.78%</u>
	of amount over <del>\$148,675</del> <u>\$186,475</u>
d. Head of household.	
If North Dakota taxable income is:	The tax is equal to:
Not over <del>\$36,250</del> <u>\$45,500</u>	<del>2.10%</del> <u>1.81%</u>
Over <del>\$36,250</del> <u>\$45,500</u> but not	<del>\$761.25</del> <u>\$823.55</u> plus <del>3.92%</del> <u>3.38%</u>
over <del>\$93,650</del> <u>\$117,450</u>	of amount over <del>\$36,250</del> <u>\$45,500</u>
Over <del>\$93,650</del> <u>\$117,450</u> but not	<del>\$3,011.33</del> <u>\$3,255.46</u> plus <del>4.34%</del> <u>3.75%</u>
over <del>\$151,650</del> <u>\$190,200</u>	of amount over <del>\$93,650</del> <u>\$117,450</u>
Over <del>\$151,650</del> <u>\$190,200</u> but not	<del>\$5,528.53</del> <u>\$5,983.59</u> plus <del>5.04%</del> <u>4.35%</u>
over <del>\$297,350</del> <u>\$372,950</u>	of amount over <del>\$151,650</del> <u>\$190,200</u>
Over <del>\$297,350</del> <u>\$372,950</u>	<del>\$12,871.81</del> <u>\$13,933.21</u> plus <del>5.54%</del> <u>4.78%</u>
	of amount over <del>\$297,350</del> <u>\$372,950</u>

2 of 2

e. Estates and trusts.

If North Dakota taxable income is:

Not over ~~\$1,800~~ \$2,300  
Over ~~\$1,800~~ \$2,300 but not  
over ~~\$4,250~~ \$5,350  
Over ~~\$4,250~~ \$5,350 but not  
over ~~\$6,500~~ \$8,200  
Over ~~\$6,500~~ \$8,200 but not  
over ~~\$8,900~~ \$11,150  
Over ~~\$8,900~~ \$11,150

The tax is equal to:

~~2.10%~~ 1.81%  
~~\$37.80~~ \$41.63 plus ~~3.92%~~ 3.38%  
of amount over ~~\$1,800~~ \$2,300  
~~\$133.84~~ \$144.72 plus ~~4.34%~~ 3.75%  
of amount over ~~\$4,250~~ \$5,350  
~~\$231.49~~ \$251.60 plus ~~5.04%~~ 4.35%  
of amount over ~~\$6,500~~ \$8,200  
~~\$352.45~~ \$379.92 plus ~~5.54%~~ 4.78%  
of amount over ~~\$8,900~~ \$11,150"

Page 2, remove lines 1 through 31

Page 3, remove lines 1 through 19

Renumber accordingly

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1279

Page 1, replace lines 20 through 24 with:

- "a. Single, other than head of household or surviving spouse.
- |  |  |
|--|--|
| If North Dakota taxable income is:                 | The tax is equal to:   |
| Not over <del>\$27,050</del> <u>\$33,950</u>       | <del>2.10%</del> <u>1.81%</u>  |
| Over <del>\$27,050</del> <u>\$33,950</u> but not   | <del>\$568.05</del> <u>\$614.50</u> plus <del>2.92%</del> <u>3.38%</u>       |
| over <del>\$65,550</del> <u>\$82,250</u>           | of amount over <del>\$27,050</del> <u>\$33,950</u>                           |
| Over <del>\$65,550</del> <u>\$82,250</u> but not   | <del>\$2,077.25</del> <u>\$2,247.04</u> plus <del>4.34%</del> <u>3.75%</u>   |
| over <del>\$136,750</del> <u>\$171,550</u>         | of amount over <del>\$65,550</del> <u>\$82,250</u>                           |
| Over <del>\$136,750</del> <u>\$171,550</u> but not | <del>\$5,167.33</del> <u>\$5,595.79</u> plus <del>5.04%</del> <u>4.35%</u>   |
| over <del>\$207,350</del> <u>\$372,950</u>         | of amount over <del>\$136,750</del> <u>\$171,550</u>                         |
| Over <del>\$207,350</del> <u>\$372,950</u>         | <del>\$13,261.57</del> <u>\$14,356.69</u> plus <del>5.54%</del> <u>4.78%</u> |
|  | of amount over <del>\$207,350</del> <u>\$372,950</u>                         |
- b. Married filing jointly and surviving spouse.
- |  |  |
|--|--|
| If North Dakota taxable income is:                 | The tax is equal to:   |
| Not over <del>\$45,200</del> <u>\$56,750</u>       | <del>2.10%</del> <u>1.81%</u>  |
| Over <del>\$45,200</del> <u>\$56,750</u> but not   | <del>\$040.20</del> <u>\$1,027.18</u> plus <del>2.92%</del> <u>3.38%</u>     |
| over <del>\$100,250</del> <u>\$137,050</u>         | of amount over <del>\$45,200</del> <u>\$56,750</u>                           |
| Over <del>\$100,250</del> <u>\$137,050</u> but not | <del>\$3,459.96</del> <u>\$3,741.32</u> plus <del>4.34%</del> <u>3.75%</u>   |
| over <del>\$166,500</del> <u>\$208,850</u>         | of amount over <del>\$100,250</del> <u>\$137,050</u>                         |
| Over <del>\$166,500</del> <u>\$208,850</u> but not | <del>\$5,044.61</del> <u>\$6,433.82</u> plus <del>5.04%</del> <u>4.35%</u>   |
| over <del>\$207,350</del> <u>\$372,950</u>         | of amount over <del>\$166,500</del> <u>\$208,850</u>                         |
| Over <del>\$207,350</del> <u>\$372,950</u>         | <del>\$12,530.46</del> <u>\$13,572.17</u> plus <del>5.54%</del> <u>4.78%</u> |
|  | of amount over <del>\$207,350</del> <u>\$372,950</u>                         |
- c. Married filing separately.
- |   |  |
|---|--|
| If North Dakota taxable income is:                | The tax is equal to:   |
| Not over <del>\$22,600</del> <u>\$28,375</u>      | <del>2.10%</del> <u>1.81%</u>  |
| Over <del>\$22,600</del> <u>\$28,375</u> but not  | <del>\$474.60</del> <u>\$513.59</u> plus <del>2.92%</del> <u>3.38%</u>     |
| over <del>\$54,625</del> <u>\$68,525</u>          | of amount over <del>\$22,600</del> <u>\$28,375</u>                         |
| Over <del>\$54,625</del> <u>\$68,525</u> but not  | <del>\$1,720.98</del> <u>\$1,870.66</u> plus <del>4.34%</del> <u>3.75%</u> |
| over <del>\$83,250</del> <u>\$104,425</u>         | of amount over <del>\$54,625</del> <u>\$68,525</u>                         |
| Over <del>\$83,250</del> <u>\$104,425</u> but not | <del>\$2,072.31</del> <u>\$3,216.91</u> plus <del>5.04%</del> <u>4.35%</u> |
| over <del>\$148,675</del> <u>\$186,475</u>        | of amount over <del>\$83,250</del> <u>\$104,425</u>                        |
| Over <del>\$148,675</del> <u>\$186,475</u>        | <del>\$6,260.73</del> <u>\$6,786.08</u> plus <del>5.54%</del> <u>4.78%</u> |
|   | of amount over <del>\$148,675</del> <u>\$186,475</u>                       |
- d. Head of household.
- |  |  |
|--|--|
| If North Dakota taxable income is:                 | The tax is equal to:   |
| Not over <del>\$36,250</del> <u>\$45,500</u>       | <del>2.10%</del> <u>1.81%</u>  |
| Over <del>\$36,250</del> <u>\$45,500</u> but not   | <del>\$761.25</del> <u>\$823.55</u> plus <del>2.92%</del> <u>3.38%</u>       |
| over <del>\$93,650</del> <u>\$117,450</u>          | of amount over <del>\$36,250</del> <u>\$45,500</u>                           |
| Over <del>\$93,650</del> <u>\$117,450</u> but not  | <del>\$3,011.33</del> <u>\$3,255.46</u> plus <del>4.34%</del> <u>3.75%</u>   |
| over <del>\$151,650</del> <u>\$190,200</u>         | of amount over <del>\$93,650</del> <u>\$117,450</u>                          |
| Over <del>\$151,650</del> <u>\$190,200</u> but not | <del>\$5,528.53</del> <u>\$5,983.59</u> plus <del>5.04%</del> <u>4.35%</u>   |
| over <del>\$207,350</del> <u>\$372,950</u>         | of amount over <del>\$151,650</del> <u>\$190,200</u>                         |
| Over <del>\$207,350</del> <u>\$372,950</u>         | <del>\$12,871.81</del> <u>\$13,933.21</u> plus <del>5.54%</del> <u>4.78%</u> |
|  | of amount over <del>\$207,350</del> <u>\$372,950</u>                         |
- e. Estates and trusts.

If North Dakota taxable income is:

Not over ~~\$1,800~~ \$2,300  
Over ~~\$1,800~~ \$2,300 but not  
over ~~\$4,250~~ \$5,350  
Over ~~\$4,250~~ \$5,350 but not  
over ~~\$6,500~~ \$8,200  
Over ~~\$6,500~~ \$8,200 but not  
over ~~\$8,000~~ \$11,150  
Over ~~\$8,000~~ \$11,150

The tax is equal to:

~~2.10%~~ 1.81%  
~~\$37.80~~ \$41.63 plus ~~3.92%~~ 3.38%  
of amount over ~~\$1,800~~ \$2,300  
~~\$133.84~~ \$144.72 plus ~~4.34%~~ 3.75%  
of amount over ~~\$4,250~~ \$5,350  
~~\$231.40~~ \$251.60 plus ~~5.04%~~ 4.35%  
of amount over ~~\$6,500~~ \$8,200  
~~\$352.45~~ \$379.92 plus ~~5.54%~~ 4.78%  
of amount over ~~\$8,000~~ \$11,150"

Page 2, remove lines 1 through 31

Page 3, remove lines 1 through 19

Renumber accordingly



Date: 2/11/07

Roll Call Vote #: 3

**2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES**  
**BILL/RESOLUTION NO. 1279**

House FINANCE AND TAXATION Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken ☒ Do Pass ☐ Do Not Pass ☒ Amended

Motion Made By Drovdal Seconded By \_\_\_\_\_

Representatives	Yes	No	Representatives	Yes	No
Chairman Wesley R. Belter			Representative Froelich		
Vice Chairman David Drovdal			Representative Kelsh		
Representative Brandenburg			Representative Pinkerton		
Representative Froseth			Representative Schmidt		
Representative Grande			Representative Winrich		
Representative Headland					
Representative Weiler					
Representative Wrangham					

Total (Yes) \_\_\_\_\_ No \_\_\_\_\_

Absent \_\_\_\_\_

Floor Assignment \_\_\_\_\_

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

Motion Fails

Reconvened

Date: 2/11/09

Roll Call Vote #: 4

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 1289

House FINANCE AND TAXATION

Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken ☐ Do Pass ☒ Do Not Pass ☒ Amended

Motion Made By Weiler Seconded By Grande

Representatives	Yes	No	Representatives	Yes	No
Chairman Wesley R. Belter		/	Representative Froelich	/	
Vice Chairman David Drovda		/	Representative Kelsh	/	
Representative Brandenburg	/		Representative Pinkerton	/	
Representative Froeth	/		Representative Schmidt	/	
Representative Grande	/		Representative Winrich	/	
Representative Headland		/			
Representative Weiler	/				
Representative Wrangham	/				

Total (Yes) 10 No 3

Absent 0

Floor Assignment ~~Weiler~~ Weiler

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

**REPORT OF STANDING COMMITTEE**

**HB 1279: Finance and Taxation Committee (Rep. Belter, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO NOT PASS** (10 YEAS, 3 NAYS, 0 ABSENT AND NOT VOTING). HB 1279 was placed on the Sixth order on the calendar.

In lieu of the amendments as printed on pages 361 and 362 of the House Journal, House Bill No. 1279 is amended as follows:

Page 1, replace lines 20 through 24 with:

<b>"a. Single, other than head of household or surviving spouse.</b>	
If North Dakota taxable income is:	The tax is equal to:
Not over <del>\$27,050</del> <u>\$33,950</u>	<del>2.10%</del> <u>1.81%</u>
Over <del>\$27,050</del> <u>\$33,950</u> but not	<del>\$568.05</del> <u>\$614.50</u> plus <del>3.92%</del> <u>3.38%</u>
over <del>\$66,550</del> <u>\$82,250</u>	of amount over <del>\$27,050</del> <u>\$33,950</u>
Over <del>\$66,550</del> <u>\$82,250</u> but not	<del>\$2,077.25</del> <u>\$2,247.04</u> plus <del>4.34%</del> <u>3.75%</u>
over <del>\$136,750</del> <u>\$171,550</u>	of amount over <del>\$66,550</del> <u>\$82,250</u>
Over <del>\$136,750</del> <u>\$171,550</u> but not	<del>\$5,167.33</del> <u>\$5,595.79</u> plus <del>5.04%</del> <u>4.35%</u>
over <del>\$297,350</del> <u>\$372,950</u>	of amount over <del>\$136,750</del> <u>\$171,550</u>
Over <del>\$297,350</del> <u>\$372,950</u>	<del>\$13,261.57</del> <u>\$14,356.69</u> plus <del>5.54%</del> <u>4.78%</u>
	of amount over <del>\$297,350</del> <u>\$372,950</u>
<b>b. Married filing jointly and surviving spouse.</b>	
If North Dakota taxable income is:	The tax is equal to:
Not over <del>\$45,200</del> <u>\$56,750</u>	<del>2.10%</del> <u>1.81%</u>
Over <del>\$45,200</del> <u>\$56,750</u> but not	<del>\$949.20</del> <u>\$1,027.18</u> plus <del>3.92%</del> <u>3.38%</u>
over <del>\$109,250</del> <u>\$137,050</u>	of amount over <del>\$45,200</del> <u>\$56,750</u>
Over <del>\$109,250</del> <u>\$137,050</u> but not	<del>\$3,459.96</del> <u>\$3,741.32</u> plus <del>4.34%</del> <u>3.75%</u>
over <del>\$166,500</del> <u>\$208,850</u>	of amount over <del>\$109,250</del> <u>\$137,050</u>
Over <del>\$166,500</del> <u>\$208,850</u> but not	<del>\$5,944.61</del> <u>\$6,433.82</u> plus <del>5.04%</del> <u>4.35%</u>
over <del>\$297,350</del> <u>\$372,950</u>	of amount over <del>\$166,500</del> <u>\$208,850</u>
Over <del>\$297,350</del> <u>\$372,950</u>	<del>\$12,539.45</del> <u>\$13,572.17</u> plus <del>5.54%</del> <u>4.78%</u>
	of amount over <del>\$297,350</del> <u>\$372,950</u>
<b>c. Married filing separately.</b>	
If North Dakota taxable income is:	The tax is equal to:
Not over <del>\$22,600</del> <u>\$28,375</u>	<del>2.10%</del> <u>1.81%</u>
Over <del>\$22,600</del> <u>\$28,375</u> but not	<del>\$474.60</del> <u>\$513.59</u> plus <del>3.92%</del> <u>3.38%</u>
over <del>\$54,625</del> <u>\$68,525</u>	of amount over <del>\$22,600</del> <u>\$28,375</u>
Over <del>\$54,625</del> <u>\$68,525</u> but not	<del>\$1,729.98</del> <u>\$1,870.66</u> plus <del>4.34%</del> <u>3.75%</u>
over <del>\$83,250</del> <u>\$104,425</u>	of amount over <del>\$54,625</del> <u>\$68,525</u>
Over <del>\$83,250</del> <u>\$104,425</u> but not	<del>\$2,972.31</del> <u>\$3,216.91</u> plus <del>5.04%</del> <u>4.35%</u>
over <del>\$148,675</del> <u>\$186,475</u>	of amount over <del>\$83,250</del> <u>\$104,425</u>
Over <del>\$148,675</del> <u>\$186,475</u>	<del>\$6,260.73</del> <u>\$6,786.08</u> plus <del>5.54%</del> <u>4.78%</u>
	of amount over <del>\$148,675</del> <u>\$186,475</u>
<b>d. Head of household.</b>	
If North Dakota taxable income is:	The tax is equal to:
Not over <del>\$36,250</del> <u>\$45,500</u>	<del>2.10%</del> <u>1.81%</u>
Over <del>\$36,250</del> <u>\$45,500</u> but not	<del>\$761.25</del> <u>\$823.55</u> plus <del>3.92%</del> <u>3.38%</u>
over <del>\$93,650</del> <u>\$117,450</u>	of amount over <del>\$36,250</del> <u>\$45,500</u>
Over <del>\$93,650</del> <u>\$117,450</u> but not	<del>\$3,011.33</del> <u>\$3,255.46</u> plus <del>4.34%</del> <u>3.75%</u>
over <del>\$151,650</del> <u>\$190,200</u>	of amount over <del>\$93,650</del> <u>\$117,450</u>
Over <del>\$151,650</del> <u>\$190,200</u> but not	<del>\$5,528.53</del> <u>\$5,983.59</u> plus <del>5.04%</del> <u>4.35%</u>
over <del>\$297,350</del> <u>\$372,950</u>	of amount over <del>\$151,650</del> <u>\$190,200</u>

Over ~~\$297,350~~ \$372,950

~~\$12,871.81~~ \$13,933.21 plus ~~5.54%~~ 4.78%  
of amount over ~~\$297,350~~ \$372,950

e. Estates and trusts.  
If North Dakota taxable income is:  
Not over ~~\$1,800~~ \$2,300  
Over ~~\$1,800~~ \$2,300 but not  
over ~~\$4,250~~ \$5,350  
Over ~~\$4,250~~ \$5,350 but not  
over ~~\$6,500~~ \$8,200  
Over ~~\$6,500~~ \$8,200 but not  
over ~~\$8,900~~ \$11,150  
Over ~~\$8,900~~ \$11,150

The tax is equal to:  
~~2.10%~~ 1.81%  
~~\$37.80~~ \$41.63 plus ~~3.92%~~ 3.38%  
of amount over ~~\$1,800~~ \$2,300  
~~\$133.84~~ \$144.72 plus ~~4.34%~~ 3.75%  
of amount over ~~\$4,250~~ \$5,350  
~~\$231.49~~ \$251.60 plus ~~5.04%~~ 4.35%  
of amount over ~~\$6,500~~ \$8,200  
~~\$352.45~~ \$379.92 plus ~~5.54%~~ 4.78%  
of amount over ~~\$8,900~~ \$11,150"

Page 2, remove lines 1 through 31

Page 3, remove lines 1 through 19

Renumber accordingly

2009 TESTIMONY

HB 1279

*Testimony before the*

## House Finance and Taxation Committee HB 1279

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*Senator Joe Miller  
District 16, Park River, ND  
January 20, 2009*

Mr. Chairman and Members of the Committee. It is my distinct pleasure to be here this morning talking about tax cuts. I was very pleased when I was given the opportunity to sign on to this piece of legislation as I know it offers broad based relief that will positively affect the North Dakota economy.

We are continually hearing ways to "spend" the surplus. A tax credit here, an increase in spending there; but what we really need is long term, broad based tax reform. Reform that will help our state stay positive and stay ahead of the damaging financial plague that is affecting the nation.

It is our duty to reduce the taxation burden on the people. It is no mystery that permanent tax relief has long lasting positive effects on the growth of personal wealth and vitality of business. Here in North Dakota, we have seen in the past year a tremendous growth in wealth due to the oil and agriculture sectors. It is imperative that we look to ways for these people to retain more of their money and begin reinvesting it into their communities, businesses, and farms.

We have to look at ways to increase the overall attractiveness of our state to outside businesses and people alike. A dual pronged approach to tax reform is necessary. That is why HB 1279 coupled with SB 2199 the property tax reduction bill, is the perfect combination of tax relief that is broad based, substantial and sustainable. This combination will touch more North Dakotan's in a substantial positive manner than anyone tax reduction alone.

The Tax Foundation, a Washington, DC based think tank, ranked North Dakota 33 in an overall comparison of state and local tax burdens. New Jersey was the highest in overall burden, while Alaska was the lowest. North Dakota found itself in the middle but when compared to our neighboring states, South Dakota, Montana, and Wyoming we are lagging substantially behind. In fact, a comparison between our sister state, South Dakota, reveals that even without the sizeable influx of dollars from coal and oil resources that North Dakota has, South Dakota is ranked far lower.

It's time for North Dakota to move forward on real, substantive tax reform. We must allow hardworking, successful North Dakotan's to keep more of their money and put those dollars to work in our local economy.

Thank you.

**North Dakota**  
**State-Local Tax Burden Compared to U.S. Average**  
**1977-2008**

State						U.S. Average		
Year	Rate	Rank (1 is highest)	Per Capita Taxes Paid to Own State	Per Capita Taxes Paid to Other States	Total State and Local Per Capita Taxes Paid	Per Capita Income	Rate	Per Capita Income
1977	10.2%	21	\$400	\$269	\$669	\$6,549	10.3%	\$7,787
1978	10.4%	14	\$417	\$393	\$810	\$7,813	10.2%	\$8,590
1979	9.4%	32	\$413	\$413	\$826	\$8,752	9.7%	\$9,510
1980	8.7%	38	\$449	\$323	\$772	\$8,895	9.5%	\$10,431
1981	7.7%	44	\$465	\$258	\$722	\$9,363	9.3%	\$11,532
1982	7.6%	45	\$452	\$387	\$839	\$11,110	9.3%	\$12,485
1983	8.1%	42	\$468	\$479	\$947	\$11,717	9.4%	\$13,011
1984	9.0%	37	\$607	\$499	\$1,106	\$12,223	9.7%	\$14,161
1985	8.9%	38	\$599	\$548	\$1,147	\$12,867	9.7%	\$15,349
1986	8.9%	38	\$607	\$567	\$1,174	\$13,165	9.7%	\$16,233
1987	9.4%	32	\$666	\$616	\$1,282	\$13,702	9.9%	\$17,095
1988	9.9%	19	\$804	\$607	\$1,411	\$14,250	9.8%	\$18,243
1989	8.8%	39	\$811	\$405	\$1,216	\$13,771	9.8%	\$19,562
1990	9.2%	38	\$833	\$614	\$1,447	\$15,752	9.9%	\$20,465
1991	9.4%	34	\$910	\$671	\$1,581	\$16,871	9.9%	\$21,101
1992	9.3%	36	\$891	\$750	\$1,641	\$17,677	10.1%	\$21,789
1993	9.6%	30	\$1,011	\$777	\$1,788	\$18,593	10.2%	\$22,636
1994	9.8%	29	\$1,099	\$782	\$1,881	\$19,251	10.2%	\$23,408
1995	9.8%	27	\$1,195	\$782	\$1,977	\$20,162	10.2%	\$24,587
1996	9.6%	28	\$1,220	\$820	\$2,041	\$21,223	10.0%	\$25,730
1997	9.5%	30	\$1,314	\$815	\$2,128	\$22,348	9.8%	\$27,335
1998	9.3%	32	\$1,384	\$802	\$2,186	\$23,581	9.7%	\$29,103
1999	9.3%	30	\$1,450	\$865	\$2,315	\$24,990	9.6%	\$30,798
2000	9.2%	30	\$1,548	\$873	\$2,421	\$26,183	9.5%	\$32,707
2001	8.9%	33	\$1,548	\$887	\$2,435	\$27,241	9.5%	\$33,725
2002	8.7%	38	\$1,545	\$829	\$2,373	\$27,180	9.5%	\$33,172
2003	9.0%	37	\$1,624	\$950	\$2,574	\$28,736	9.7%	\$33,644
2004	9.0%	38	\$1,699	\$1,060	\$2,759	\$30,828	9.8%	\$35,576
2005	9.0%	37	\$1,830	\$1,116	\$2,946	\$32,676	9.8%	\$38,206
2006	8.9%	39	\$1,836	\$1,267	\$3,103	\$34,880	9.9%	\$40,643
2007	9.0%	37	\$2,035	\$1,271	\$3,306	\$36,868	9.9%	\$42,817
2008	9.2%	33	\$2,167	\$1,470	\$3,637	\$39,612	9.7%	\$44,254

Source: Tax Foundation calculations based on data from the Bureau of Economic Analysis, the Census Bureau, the Council on State Taxation, the Travel Industry Association, Department of Energy, and others.

# State-Local Tax Burdens, All States

2008

State	Rate	Rank (1 is highest)	Per Capita Taxes Paid to Home State	Per Capita Taxes Paid to Other States	Total State and Local Per Capita Taxes Paid	Per Capita Income
United States	9.7%		\$2,924	\$1,358	\$4,283	\$44,254
Alabama	8.6%	38	\$1,977	\$1,168	\$3,144	\$36,372
Alaska	6.4%	50	\$1,433	\$1,438	\$2,871	\$44,872
Arizona	8.5%	41	\$2,170	\$1,074	\$3,244	\$38,174
Arkansas	10.0%	14	\$2,315	\$1,036	\$3,351	\$33,395
California	10.5%	6	\$3,683	\$1,345	\$5,028	\$47,706
Colorado	9.0%	34	\$2,684	\$1,675	\$4,359	\$48,300
Connecticut	11.1%	3	\$4,498	\$2,509	\$7,007	\$63,160
Delaware	9.5%	24	\$2,364	\$1,889	\$4,253	\$44,889
Florida	7.4%	47	\$2,384	\$1,057	\$3,441	\$46,293
Georgia	9.9%	16	\$2,579	\$1,156	\$3,735	\$37,850
Hawaii	10.6%	5	\$3,699	\$1,221	\$4,920	\$46,512
Idaho	10.1%	13	\$2,374	\$1,296	\$3,670	\$36,492
Illinois	9.3%	30	\$2,948	\$1,398	\$4,346	\$46,693
Indiana	9.4%	28	\$2,348	\$1,154	\$3,502	\$37,279
Iowa	9.3%	31	\$2,263	\$1,327	\$3,589	\$38,636
Kansas	9.6%	21	\$2,460	\$1,451	\$3,911	\$40,784
Kentucky	9.4%	25	\$2,201	\$1,042	\$3,243	\$34,339
Louisiana	8.4%	42	\$2,093	\$1,193	\$3,286	\$39,116
Maine	10.0%	15	\$2,701	\$1,135	\$3,835	\$38,309
Maryland	10.8%	4	\$4,062	\$1,607	\$5,669	\$52,709
Massachusetts	9.5%	23	\$3,609	\$1,768	\$5,377	\$56,661
Michigan	9.4%	27	\$2,536	\$1,158	\$3,694	\$39,273
Minnesota	10.2%	12	\$3,328	\$1,360	\$4,688	\$46,106
Mississippi	8.9%	36	\$1,773	\$1,061	\$2,834	\$31,836
Missouri	9.2%	32	\$2,261	\$1,248	\$3,508	\$38,084
Montana	8.6%	40	\$1,960	\$1,199	\$3,158	\$36,793
Nebraska	9.8%	17	\$2,611	\$1,371	\$3,983	\$40,499
Nevada	6.6%	49	\$1,952	\$1,293	\$3,245	\$49,371
New Hampshire	7.6%	46	\$1,824	\$1,818	\$3,642	\$48,033
New Jersey	11.8%	1	\$4,376	\$2,234	\$6,610	\$56,116
New Mexico	8.6%	39	\$2,051	\$1,063	\$3,114	\$36,031
New York	11.7%	2	\$4,845	\$1,573	\$6,419	\$55,032
North Carolina	9.8%	20	\$2,597	\$1,066	\$3,663	\$37,508
North Dakota	9.2%	33	\$2,167	\$1,470	\$3,637	\$39,612
Ohio	10.4%	7	\$2,937	\$1,112	\$4,049	\$38,925
Oklahoma	9.8%	19	\$2,280	\$1,481	\$3,761	\$38,415
Oregon	9.4%	26	\$2,538	\$1,181	\$3,719	\$39,444
Pennsylvania	10.2%	11	\$3,054	\$1,409	\$4,463	\$43,796
Rhode Island	10.2%	10	\$2,900	\$1,633	\$4,533	\$44,463
South Carolina	8.8%	37	\$2,048	\$1,079	\$3,127	\$35,419
South Dakota	7.9%	45	\$1,645	\$1,434	\$3,079	\$39,103
Tennessee	8.3%	44	\$1,779	\$1,382	\$3,160	\$38,090
Texas	8.4%	43	\$2,082	\$1,498	\$3,580	\$42,796
Utah	9.6%	22	\$2,305	\$1,140	\$3,446	\$35,971
Vermont	10.3%	8	\$3,072	\$1,337	\$4,410	\$42,626
Virginia	9.8%	18	\$3,281	\$1,388	\$4,669	\$47,666
Washington	8.9%	35	\$2,957	\$1,377	\$4,334	\$48,574
West Virginia	9.3%	29	\$1,982	\$1,018	\$3,000	\$32,145
Wisconsin	10.2%	9	\$3,047	\$1,147	\$4,194	\$40,953
Wyoming	7.0%	48	\$1,925	\$1,788	\$3,714	\$53,163
District of Columbia	10.3%	8	\$4,344	\$2,964	\$7,308	\$70,730

Source: Tax Foundation calculations based on data from the Bureau of Economic Analysis, the Census Bureau, the Council on State Taxation, the Travel Industry Association, Department of Energy, and others.

Testimony 2  
January 20, 2009  
HB 1279

Mr. Chairman and members of the committee, my name is Mike Nathe, representative from Dist 30 in Bismarck and one of the co-sponsors of HB 1279.

I stand here today in support of HB 1279, when I was out knocking on doors this past fall campaigning, one of the statements I constantly heard was "please give back some of the surplus" well members of the committee this bill does just that.

When times were tough, for this state, the people of ND were expected to tighten their belts, and they did.

When times were tough for this state, the people of ND were expected to pay their taxes and support this state, and they did

Now we find our state in a fantastic financial position to help the people of ND. There are some who say we may not be able to do this. I ask you members of the committee, If we can't do this now, with the record surplus we have in hand, just when can we do it?

Now is the time that the people of ND be rewarded for being there. The people of ND deserve to be paid first, before any agency, before any program or pet project. The people of ND deserve to be first in line to be paid.

Mr. chairman and members of the committee I ask that you support a Do Pass on HB 1279.