

2009 SENATE FINANCE AND TAXATION

SB 2369

## 2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. SB 2369

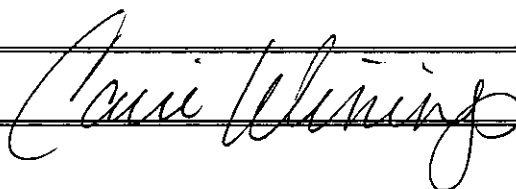
Senate Finance and Taxation Committee

Check here for Conference Committee

Hearing Date: 02/02/2009

Recorder Job Number: 8387

Committee Clerk Signature



Minutes:

**Chairman Cook:** Opened hearing on SB 2369.

**Senator Carolyn Nelson, District 21:** See attachment #1 for testimony and explanation in support of bill and as a sponsor.

13.40 **Chairman Cook:** Property Tax to all means all paying property tax. If tax goes down then rent should go down. Governor's bill still does not give to all. Question on paragraph one of your testimony. You make a statement of fully subsidized housing; I assume you are exempting people from fully subsidized housing. Describe the word fully, is that 100% subsidized, where they pay no rent?

**Senator Nelson:** We have some housing that is non-profit housing and those particular buildings are not taxed. Therefore they would not qualify. Then we have subsidized where people have federal assistance that there is no private pay money going in at all.

**Chairman Cook:** What do you mean by fully subsidized?

**Senator Nelson:** I think it would be both because they both will be considered under there. This is only on taxable properties being rented by North Dakota residents.

**Chairman Cook:** Are you familiar how the voucher system works.

**Senator Nelson:** I do not know how that works, but I know that we wrote something in here about percentages to try and figure out how much of the rent is actually subsidized and how much of it is private pay. They could only claim their portion that comes out of their private pay portion, not the subsidized portion.

**Chairman Cook:** If you have a low income person living in an apartment that is rented for \$400/mo. And that person is a single parent with three children making \$15,000 a year, probably paying \$50/mo for that \$400/mo apartment.

**Senator Nelson:** They could claim \$50 per month.

**Chairman Cook:** Do you think that it is fair that the housing authority that is paying the rest of that rent should be able to apply for this deduction?

**Senator Nelson:** I really don't know. Maybe we can work something out with the tax department.

17.25 **Senator Hogue:** In looking at this bill in comparison to SB 2402, a property tax exemption for seniors and disabled individuals, and I want to know if this would be in addition to or will the tax payer be able to make a selection however they come out best, or are these mutually exclusive?

**Senator Nelson:** They were written mutually exclusive, so I have not seen that bill.

**Senator Anderson:** I believe that bill we heard this morning was for people who owned property.

**Chairman Cook:** There was a provision for renters in that bill.

18.38 **Vice Chairman Miller:** Do you have any idea what Minnesota does as far as the amount of money that put in?

**Senator Nelson:** I do not know. They also have a huge population. They use 19% of the actual rent is assumed to be what is paid for property tax and they also go up to \$50,400 for their upper limits. It is much more confusing.

**Vice Chairman Miller:** I have a little question about gross household income and your basis in the bill for one claimant per household, but yet if there are roommates?

**Senator Nelson:** If you have roommates, your combined total income is the sum of the taxable incomes on the roommates tax form. There can only be one claimant per apartment.

**Chairman Cook:** So college students living together would be able to apply?

**Senator Nelson:** Yes

**Chairman Cook:** Can they apply for this even if their parents are still claiming them as a dependant?

**Senator Nelson:** I would think if they are filling their own income tax they could.

**Dustin Goverlow (sp?), Executive Director of the North Dakota Taxpayer:** Testified in opposition to bill. This seems this bill is fairly very unworkable. The amount of administrative costs would be excessive. I see a problem with roommates; I don't even know how that would work. It seems to be difficult to rebate tax that they did not collect to begin with, and expands that concept to rebating checks to people that have no income tax liability. It seems to be entitlement disguised as a tax cut. We suggest a different approach would be an actual tax cut. There is not a fair way to get involved in this process.

**22.48 Rocky Gordon, North Dakota Apartment Association:** Testified in opposition to bill. What has been said sums up how we feel. I ask that the free market take care of this. I think the tax gets paid one way or another. An example of how this would not work was given. It is truly not a tax rebate.

**25.24 Chairman Cook:** Were you able to determine if the rebate was for people who rent and sleep in the apartment they are renting vs. the people who rent and have an office in there?

**Rocky Gordon:** I cannot. When we are talking about the occupants in the unit, they don't always match up with who is on the lease. There are little issues like that that would be a problem. It is really not property tax relief.

**Chairman Cook:** I tend to think you rent as nice of a place you can afford, would this allow you to rent a nicer place, and in turn the rent wouldn't just start going up?

**Rock Gordon:** That is very possible and that is why I think we need to let the free market work.

**27.12 Senator Triplett:** There is an assumption in this bill that 58% of rental class is paid in property tax fees. Do you have any information on that? Does that seem like the right number?

**Rocky Gordon:** That varies greatly because rents vary greatly, and property taxes vary greatly between cities. It is probably not totally outside the realm. When it comes to rental bills I hear about how Minnesota does it, but Minnesota does not have everything figured out. I hope we don't make our decisions based on that.

**Senator Triplett:** In the last session, when we did property tax relief through income tax, we left renters out. That was the discussion that it would probably take care of itself with the landlords passing on the savings to the renters. Do you think that happened?

**Rocky Gordon:** That is a hard question to answer. Long term shows more. The market gets it right over a long period of time.

**30.30 Chairman Cook:** Any further testimony on the bill?

**Marcy Dickerson, State Supervisor of Assessments:** Testified in neutral testimony. As is indicated in the fiscal note, we are really lacking information to give a really good number

there. Also, in answer to the question of whether or not use of an office would be eligible for this; it is limited to the homestead so in question to office that would not be included.

**Chairman Cook:** in reference to the fiscal note it says 14 to 20 million dollars, but there is nothing in the top of the note. Is there a reason for that?

**Marcy Dickerson:** Quotes the note, we do not know how many would qualify, there are too many variables.

**Chairman Cook:** My problem is whether it needs to go to appropriations or not.

**Marcy Dickerson:** I assume that it would have to.

**Chairman Cook:** I will check on that.

Closed hearing on SB 2369.

## 2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. SB 2369

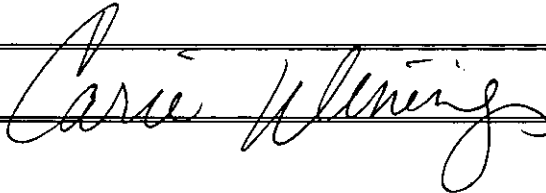
Senate Finance and Taxation Committee

Check here for Conference Committee

Hearing Date: 02/03/2009

Recorder Job Number: 8513

Committee Clerk Signature



Minutes:

**Chairman Cook:** Reopened discussion on bill. I have not spent a lot of time on the details of this bill. It is a new concept, and one that would need a lot of work. If someone wants to put work into this by tomorrow, we can do it. I think property tax relief goes to property tax owners. If we have a bill to give money back to renters, then that is how it should be framed. We better make sure it is fair and honest if we want to do that.

**Senator Triplett:** I agree with everything that you just said, except spending time on it today and tomorrow. I do not think that is possible. Can we convert this to a study resolution to study the implications of property tax relief relative to renters. We would give the opportunity to see if the Governor's proposal is going to pass and if it does it will change everything anyway. It is an issue that will keep coming up.

**Chairman Cook:** Can you get that done by tomorrow?

**Senator Triplett:** Yes.

Everyone concurred that would be a good idea.

**Chairman Cook:** Suspended discussion on bill until the resolution idea was worked on.

# 2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. SB 2369

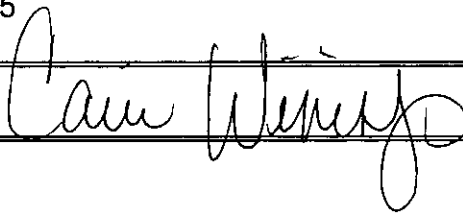
Senate Finance and Taxation Committee

Check here for Conference Committee

Hearing Date: 02/04/2009

Recorder Job Number: 8665

Committee Clerk Signature



Minutes:

**Chairman Cook:** Reopened discussion on SB 2379. It was shortened up considerably.

**Senator Triplett:** Motion to amend – 90673.0301.

**Senator Oehlke:** Seconded.

**Vice Chairman Miller:** I just want to say that I am relatively opposed to the bill, and I don't know how worthy a study it is.

**A voice vote was taken: 7 yeas, 0 nays, 0 absent.**

**Senator Triplett:** Motioned for a Do Pass as Amended.

**Senator Oehlke:** Seconded.

**Chairman Cook:** Any discussion?

**Senator Triplett:** For the record this has been an issue that has been coming up perennially for the last several sessions, and I think it would be good if Legislative Council thinks it is reasonable to think about it in some depth over the interim, maybe they can resolve it.

**Chairman Cook:** We are going to get this bill every session.

**Senator Triplett:** I am trying.

**Chairman Cook:** I don't think there is much merit in studying the issue. Philosophically I think property tax is paid by property owners and relief should go to property owners.



**Chairman Cook:** I will vote for the bill the way it is.

**A Roll Call vote was taken:** Yea 6, Nay 1, Absent 0.

**Senator Triplett will carry the bill.**

**FISCAL NOTE**  
**Requested by Legislative Council**  
02/06/2009

Amendment to: SB 2369

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
<b>Revenues</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Expenditures</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Appropriations</b>	\$0	\$0	\$0	\$0	\$0	\$0

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).*

This bill provides for a Legislative Council study of allocation of property tax relief among renters.

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.*

There is no fiscal impact relating to this bill.

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>	Allen H. Knudson	<b>Agency:</b>	Legislative Council
<b>Phone Number:</b>	328-2916	<b>Date Prepared:</b>	02/06/2009

**FISCAL NOTE**  
**Requested by Legislative Council**  
01/26/2009

Bill/Resolution No.: SB 2369

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						
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).*

SB 2369 creates a refund program for renters relative to the share of the rent that constitutes property taxes.

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.*

The provisions of SB 2369 set forth the parameters of the renters refunds, based on rent paid and the income of the household. We have no information relative the income level of renters and the corresponding rent they pay.

The state has approximately 100,000 to 105,000 renters. Perhaps as many as 75% may qualify for a refund. This may translate into the cost of the program totaling \$14 to \$20 million per year.

A more complete fiscal analysis is not currently possible given the unknowns.

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>	01/30/2009

PROPOSED AMENDMENTS TO SENATE BILL NO. 2369

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to provide for a legislative council study of allocation of property tax relief among renters.

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

**SECTION 1. LEGISLATIVE COUNCIL STUDY.** During the 2009-10 interim, the legislative council shall consider studying the appropriate level and method of delivery of state funding assistance to assure that renters share in an equal measure of property tax relief as compared to property tax relief provided to property owners in the state. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-second legislative assembly."

Renumber accordingly

Date: 02/04/09

Roll Call Vote #: 1

2009 SENATE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. :

2369

Senate Finance and Taxation Committee

Check here for Conference Committee Amendments

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

Action Taken  Do Pass  Do Not Pass  Amended

Motion Made By Senator Triplett Seconded By Senator Oehlke

Senators	Yes	No	Senators	Yes	No
Sen. Dwight Cook - Chairman			Sen. Arden Anderson		
Sen. Joe Miller - Vice Chairman			Sen. Jim Dotzenrod		
Sen. David Hogue			Sen. Constance Triplett		
Sen. Dave Oehlke					

All in Favor

Total: Yes 7 No 0

Absent \_\_\_\_\_

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

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

Date: 02/04/09

Roll Call Vote #: 2

2009 SENATE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. : 2369

Senate Finance and Taxation Committee

Check here for Conference Committee

Legislative Council Amendment Number 90673.0301

Action Taken  Do Pass  Do Not Pass  Amended <sup>AS</sup>

Motion Made By Senator Triplett Seconded By Senator Oehlke

Senators	Yes	No	Senators	Yes	No
Sen. Dwight Cook - Chairman	✓		Sen. Arden Anderson	✓	
Sen. Joe Miller - Vice Chairman		✓	Sen. Jim Dotzenrod	✓	
Sen. David Hogue	✓		Sen. Constance Triplett	✓	
Sen. Dave Oehlke	✓				

Total: Yes 6 No 1

Absent 0

Floor Assignment Senator Triplett

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

**REPORT OF STANDING COMMITTEE**

**SB 2369: Finance and Taxation Committee (Sen. Cook, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (6 YEAS, 1 NAY, 0 ABSENT AND NOT VOTING). SB 2369 was placed on the Sixth order on the calendar.

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to provide for a legislative council study of allocation of property tax relief among renters.

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

**SECTION 1. LEGISLATIVE COUNCIL STUDY.** During the 2009-10 interim, the legislative council shall consider studying the appropriate level and method of delivery of state funding assistance to assure that renters share in an equal measure of property tax relief as compared to property tax relief provided to property owners in the state. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-second legislative assembly."

Renumber accordingly

2009 HOUSE FINANCE AND TAXATION

SB 2369



## 2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. SB 2369

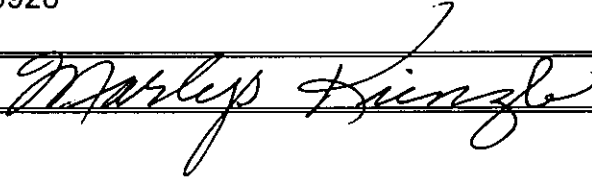
House Finance and Taxation Committee

Check here for Conference Committee

Hearing Date: March 2, 2009

Recorder Job Number: #9928

Committee Clerk Signature



Minutes:

**Chairman Belter:** Opened the hearing for SB 2369.

**Sen C. Nelson:** I am from District 21 in Fargo.

Testimony attachment #1

Testimony attachment # 2 (Rebate spreadsheet)

The Senate would like this to be a study.

**Rep Weiler:** In the bill line 8, it says the Legislature Council should report findings and recommendations and that is the language we see in most studies, but what I have a question about is, as follows: is together with any Legislation required to implement the recommendation. I am curious as to why it is that way.

**Sen C. Nelson:** This is a Hog House and the first time that I saw this is when it appeared on the floor. I was not consulted as to what the Hog House was going to be. So if you want any changes that would be okay with me. I think it would be kind of interesting to see what kind of proposed legislation and what kind of recommendations. Many times with interim Committees we do forward some Legislation to go along with our studies.

**Rep Weiler:** That is exactly my point.

**Rep Drovdal:** Can you share with us what the FN was when it was introduced to the Finance and Tax Committee?

**Sen C. Nelson:** She figured it might be in the 14 million dollar right.

**Rep Froseth:** This only pertains to people who are renting homes. I would presume that the big percentage business building and corporate offices are rented. If we do this we are opening the door to the next step those renters are going to want portions.

**Sen C. Nelson:** I think we opened the door last session when we allowed property tax refunds for people who own homes. This would be just the next step.

**Rep Headland:** I can see how this study would have an impact of SB 2300 sunsetted but don't know how it would work with SB 2198 the bill that the senate passed for us to look at.

**Rep Weiler:** Giving the financial situation in North Dakota in what we have done to keep our financial status and comparing it to Minnesota's financial situation, I would be leery of following anything that they do.

**Sen C. Nelson:** This is to try and assist our rental people around the border. They know that the rental people are getting rental money back and are asking questions.

**Chairman Belter:** Close the hearing for SB 2369.

## 2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. SB 2369

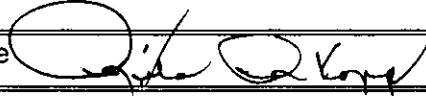
House Finance and Taxation Committee

Check here for Conference Committee

Hearing Date: March 2, 2009

Recorder Job Number: # 9929

Committee Clerk Signature



Minutes:

**Chairman Belter:** Opened the hearing for SB 2369

**Rep Weiler:** I do have a concern with the language on line 8 starting with: together with any legislation required to implement the recommendations. I don't know if it is necessary to put that in there. It is not a big deal. I propose an amendment to strike that language starting with the comma on line 8 all the way through the next comma on page 9.

**Chairman Belter:** A motion by Rep Weiler to strike the language on line 8 and line 9 between the two commas.

**Rep Weiler:** Just a question. On line 4 should that say 2011 biennium and 2010 interim? If it is too much of a hassle to go to conference committee we don't have to go down this road.

**Chairman Belter:** I don't think we have to go to conference committee to make this change.

**Rep Headland:** I do support the amendment but don't see that we have to study it at all since we are not offering property tax relief in the same fashion that there is any way you can include a renter. The property tax belongs in the Political Subdivision.

**Rep Weiler** made a motion for the amendment and **Rep Grande** seconded the motion.

Motion carried.

Voice vote and Motion carried.

**Rep Wrangham:** Made a motion DO PASS as amended.

**Rep Froelich:** Seconded the motion.

SB 2369 passed as amended with 11 yes and 2 no.

Carrier is Rep Pinkerton.

**(Note: There is no standing committee report because Chairman Belter had this held.**

**Bill was reconsidered on March 16, 2009.)**

## 2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 2369

House Finance and Taxation Committee

Check here for Conference Committee

Hearing Date: March 16, 2009

Recorder Job Number: 0000

Committee Clerk Signature

Minutes:

**Chairman Belter:** We will look at HB 2369. This is Senator Nelson's property tax bill.

**Representative Weiler:** We have discussed this. We are putting out a \$300,000 property tax exemption this session. I just don't know if this is something we need to study again. I asked for it to be brought back. I so move.

**Chairman Belter:** We have a motion to reconsider from Representative Weiler and a second from Representative Drovdal. Any other discussion? **(The motion carried by a voice vote.)**

**Representative Weiler:** I move a "do not pass".

**Representative Headland:** Second.

**Chairman Belter:** We have a motion from Representative Weiler for a "do not pass" and a second from Representative Headland. **(A roll call vote on a "do not pass" on HB 2369 resulted in 7 ayes, 5 nays, 1 absent/not voting.) Representative Weiler will carry the bill.**

Date: 3/2/09

Roll Call Vote #: 1

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 2369

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 Weiler 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 carries

Date: 3/2/09

Roll Call Vote #: 2

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 2369

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 Wrangham Seconded By Froelich

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) 11 No 2

Absent 0

Floor Assignment Rep Pinkerton

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

Date: March 16, 2009

Roll Call Vote #: 1

**2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES**  
**BILL/RESOLUTION NO. 2369**

House FINANCE AND TAXATION Committee

Check here for Conference Committee

Legislative Council Amendment Number Reconsider

Action Taken  Do Pass  Do Not Pass  Amended

Motion Made By Weiler 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 carries



Date: March 16, 2009

Roll Call Vote #: 2

**2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES**  
**BILL/RESOLUTION NO. 2369**

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 Headland

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) 7 No 5

Absent 1 (Schmidt)

Floor Assignment Representative Weiler

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

REPORT OF STANDING COMMITTEE (410)  
March 16, 2009 1:18 p.m.

Module No: HR-47-4942  
Carrier: Weller  
Insert LC: . Title: .

**REPORT OF STANDING COMMITTEE**

SB 2369, as engrossed: Finance and Taxation Committee (Rep. Belter, Chairman)  
recommends **DO NOT PASS** (7 YEAS, 5 NAYS, 1 ABSENT AND NOT VOTING).  
Engrossed SB 2369 was placed on the Fourteenth order on the calendar.

2009 TESTIMONY

SB 2369

# NORTH DAKOTA SENATE



STATE CAPITOL  
800 EAST BOULEVARD  
BISMARCK, ND 58505-0360



Senator Carolyn Nelson  
District 21  
1 Second Street South #5-402  
Fargo, ND 58103-1959  
Residence: 701-235-5161  
[cnelson@nd.gov](mailto:cnelson@nd.gov)

Assistant Minority Leader

**COMMITTEES:**  
Judiciary  
Government and Veterans Affairs

SB 2369

Last session we passed a bill providing property tax refunds to home owners; there was no consideration for the residents of some of the property being taxed as property – there was nothing for the estimated 100,534 residents of our state who live in rental housing. That is the number I got from the tax department; I'm not sure all those folks would qualify under this bill as it pertains to people renting taxable property – not people living in fully subsidized housing, non-profit housing such as nursing homes, or college dormitories.

SB 2369 deals with rents paid by ND residents of taxed rental properties in North Dakota. The bill is based on the Minnesota law that has been in existence for many years. Section 1 includes definitions, some of these definitions give directions as to eligibility and process. We set the amount of rent constituting property taxes at 15% of the gross rent and we limited the combined taxable income in the household to \$50,000 so this bill will benefit those of low income and low rent the most. I figured my rebate and it would be approximately \$21 but there are constituents in my district who would fall in the low rent, low income categories and might be reimbursed as much as 1 ½ months rent.

Taking a look at the bill, you will note that this is the third draft. The first draft had 5 pages of definitions – far too complicated for both the renter and the tax department. We settled on taxable income from the IRS 1040, 1040A or 1040EZ forms thus eliminating the need for consideration of dependents, adjustments and deductions. Keep in mind that this bill is based on monthly rent and total household taxable income. If it is a married household, that taxable income would be the amount listed as taxable income on the joint tax form; if it is a household of several unmarried people, their combined income is the taxable income amount (57-65-03). The "roommates" will only be able to make one claim and figure out they will split it when the check comes (57-65-04). The landlord will be required to list all occupants on the "rent paid" statement (57-65-05 and 57-65-08).

The tax department estimates that most people would fall in the \$220 rebate category - \$400 per month rent and about \$25,000 taxable income. That's close to the estimate quoted in the media recently.

We put an upper limit on taxable income and an upper limit on the amount of a rebate. We designed the bill so that the income taxes must be filed and paid before the application for a property tax rebate can be submitted. There must be a current ND tax form on file before a renter's rebate is issued. A request for the rebate must be filed prior to the end of the fiscal year following the taxable year to which the claim applies. (Ex. Rebate based on 2008 tax form must be filed prior to June 30, 2010)

There is \$300 million allocated for home and business owners' property tax in another bill being considered by the Finance and Taxation committee; the original estimate for this bill is about 10% of that amount. This would give something to the 1/6 of our population not benefitting from the other bill or previous bills.

My suggestion is that rebate to renters come from the \$100 million allocated in the budget for income tax refunds. Many of the renters referenced on my spreadsheet pay minimal or no income taxes. Like the first federal stimulus package, these people will need to file a tax form indicating their lack of reportable income in order to get the rebate.

Explanation of the calculation form and spread sheet. (attachments)

Property tax relief was promised to ALL; this bill will help raise the percentage of ALL to a higher level.

Property tax rebate calculation (SB 2369)

1. Rent per month \_\_\_\_\_
2. Line 1 X 12 (months) \_\_\_\_\_
3. Line 2 X 15% (57-65-02 (10)) \_\_\_\_\_ = allowable rent rebate base
  
4. Income (taxable income from Form 1040, line 43) \_\_\_\_\_ or  
Income (taxable income from Form 1040A, line 27) \_\_\_\_\_ or  
Income (taxable income from Form 1040EZ, line 6) \_\_\_\_\_
  
5. Percentage (from 57-65-02(2)) \_\_\_\_\_
6. Line 4 x Line 5 \_\_\_\_\_ =income offset
  
7. Amount of rebate (line 3 – line <sup>6</sup> 5) \_\_\_\_\_

A copy of the cover page of the 2008 Form 1040, 1040A or 1040EZ must be attached and also the certificate of rent paid from the landlord (management agent)

Form may not be submitted until after 2008 taxes are filed and must be received by tax department by June 30<sup>th</sup> of the year following (2010).

There will be similar forms for private pay residents of nursing homes, immediate care homes and foster care homes. Their assumed rent is \$350, \$350 and \$500, see 57-65-01 (4b)

Rebate is assumed to be divided evenly if more than 1 claimant for a single household

SB 2369 P Spreadsheet  
 Carolyn Nelson, prime sponsor

Monthly rent	\$300	\$350	400.00	\$500	\$600	\$700	\$800	\$900	\$1,000
15% allowable	\$540.00	\$630.00	720.00	\$900.00	\$1,080.00	\$1,260.00	\$1,440.00	\$1,620.00	\$1,800.00
INCOME	Rate	Sec 3 allowa	Maximum	Rebate possible					
\$10,000	1.50%	\$150.00	\$390.00	\$480.00	570.00	\$750.00	\$930.00	\$1,000.00	\$1,000.00
\$15,000	1.50%	\$225.00	\$315.00	\$405.00	\$495.00	\$675.00	\$855.00	\$1,000.00	\$1,000.00
\$19,000	1.50%	\$285.00	\$255.00	\$345.00	\$435.00	\$615.00	\$795.00	\$1,000.00	\$1,000.00
\$20,000	2.00%	\$400.00	\$140.00	\$230.00	\$320.00	\$500.00	\$680.00	\$1,000.00	\$1,000.00
\$25,000	2.00%	\$500.00	\$40.00	\$130.00	\$220.00	\$400.00	\$580.00	\$1,000.00	\$1,000.00
\$29,000	2.00%	\$580.00	0	\$50.00	\$140.00	\$320.00	\$500.00	\$1,000.00	\$1,000.00
\$30,000	2.50%	\$750.00	0	0	0	\$150.00	\$330.00	\$870.00	\$1,000.00
\$35,000	2.50%	\$875.00	0	0	0	\$25.00	\$205.00	\$745.00	\$925.00
\$39,000	2.50%	\$975.00	0	0	0	0	\$105.00	\$645.00	\$825.00
\$40,000	3%	\$1,200.00	0	0	0	0	0	\$420.00	\$600.00
\$45,000	3%	\$1,350.00	0	0	0	0	0	\$270.00	\$450.00
\$50,000	3%	\$1,500.00	0	0	0	0	0	\$120.00	\$300.00

Label

Instructions on page 14.) Use the IRS label. Otherwise, please print or type.

Label Here

For the year Jan. 1–Dec. 31, 2008, or other tax year beginning 2008, ending 20
Your first name and initial Last name
If a joint return, spouse's first name and initial Last name
Home address (number and street). If you have a P.O. box, see page 14. Apt. no.
City, town or post office, state, and ZIP code. If you have a foreign address, see page 14.

OMB No. 1545-0074
Your social security number
Spouse's social security number
You must enter your SSN(s) above.

Presidential Election Campaign

Check here if you, or your spouse if filing jointly, want \$3 to go to this fund (see page 14) You Spouse

Filing Status

- 1 Single
2 Married filing jointly (even if only one had income)
3 Married filing separately. Enter spouse's SSN above and full name here.
4 Head of household (with qualifying person). (See page 15.) If the qualifying person is a child but not your dependent, enter this child's name here.
5 Qualifying widow(er) with dependent child (see page 16)

Exemptions

- 6a Yourself. If someone can claim you as a dependent, do not check box 6a
b Spouse

Table with 4 columns: (1) First name, Last name, (2) Dependent's social security number, (3) Dependent's relationship to you, (4) if qualifying child for child tax credit (see page 17)

If more than four dependents, see page 17.

Boxes checked on 6a and 6b
No. of children on 6c who:
lived with you
did not live with you due to divorce or separation (see page 18)
Dependents on 6c not entered above

d Total number of exemptions claimed

Income

Attach Form(s) W-2 here. Also attach Forms 2G and 1099-R if tax was withheld.

If you did not get a W-2, see page 21.

Enclose, but do not attach, any payment. Also, please use Form 1040-V.

Table with 22 rows for income items: 7 Wages, salaries, tips, etc. Attach Form(s) W-2; 8a Taxable interest; 9a Ordinary dividends; 10 Taxable refunds, credits, or offsets of state and local income taxes; 11 Alimony received; 12 Business income or (loss); 13 Capital gain or (loss); 14 Other gains or (losses); 15a IRA distributions; 16a Pensions and annuities; 17 Rental real estate, royalties, partnerships, S corporations, trusts, etc.; 18 Farm income or (loss); 19 Unemployment compensation; 20a Social security benefits; 21 Other income; 22 Add the amounts in the far right column for lines 7 through 21. This is your total income.

Adjusted Gross Income

Table with 15 rows for adjusted gross income items: 23 Educator expenses; 24 Certain business expenses of reservists, performing artists, and fee-basis government officials; 25 Health savings account deduction; 26 Moving expenses; 27 One-half of self-employment tax; 28 Self-employed SEP, SIMPLE, and qualified plans; 29 Self-employed health insurance deduction; 30 Penalty on early withdrawal of savings; 31a Alimony paid; 32 IRA deduction; 33 Student loan interest deduction; 34 Tuition and fees deduction; 35 Domestic production activities deduction; 36 Add lines 23 through 31a and 32 through 35; 37 Subtract line 36 from line 22. This is your adjusted gross income.



Tax and Credits

Standard Deduction for -

• People who checked any box on line 39a, 39b, or 39c or who can be claimed as a dependent, see page 34.

• All others: Single or Married filing separately, \$5,450

Married filing jointly or Qualifying widow(er), \$10,900

Head of household, \$8,000

38 Amount from line 37 (adjusted gross income)
39a Check if: [ ] You were born before January 2, 1944, [ ] Blind. Total boxes checked
39b If your spouse itemizes on a separate return or you were a dual-status alien, see page 34 and check here
39c Check if standard deduction includes real estate taxes or disaster loss (see page 34)
40 Itemized deductions (from Schedule A) or your standard deduction (see left margin)
41 Subtract line 40 from line 38
42 If line 38 is over \$119,975, or you provided housing to a Midwestern displaced individual, see page 36. Otherwise, multiply \$3,500 by the total number of exemptions claimed on line 6d
43 Taxable income. Subtract line 42 from line 41. If line 42 is more than line 41, enter -0-
44 Tax (see page 36). Check if any tax is from: a [ ] Form(s) 8814 b [ ] Form 4972
45 Alternative minimum tax (see page 39). Attach Form 6251
46 Add lines 44 and 45
47 Foreign tax credit. Attach Form 1116 if required
48 Credit for child and dependent care expenses. Attach Form 2441
49 Credit for the elderly or the disabled. Attach Schedule R
50 Education credits. Attach Form 8863
51 Retirement savings contributions credit. Attach Form 8880
52 Child tax credit (see page 42). Attach Form 8901 if required
53 Credits from Form: a [ ] 8396 b [ ] 8839 c [ ] 5695
54 Other credits from Form: a [ ] 3800 b [ ] 8801 c [ ]
55 Add lines 47 through 54. These are your total credits
56 Subtract line 55 from line 46. If line 55 is more than line 46, enter -0-

Other Taxes

57 Self-employment tax. Attach Schedule SE
58 Unreported social security and Medicare tax from Form: a [ ] 4137 b [ ] 8919
59 Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required
60 Additional taxes: a [ ] AEIC payments b [ ] Household employment taxes. Attach Schedule H
61 Add lines 56 through 60. This is your total tax

Payments

If you have a qualifying child, attach Schedule EIC.

62 Federal income tax withheld from Forms W-2 and 1099
63 2008 estimated tax payments and amount applied from 2007 return
64a Earned income credit (EIC)
64b Nontaxable combat pay election
65 Excess social security and tier 1 RRTA tax withheld (see page 61)
66 Additional child tax credit. Attach Form 8812
67 Amount paid with request for extension to file (see page 61)
68 Credits from Form: a [ ] 2439 b [ ] 4136 c [ ] 8801 d [ ] 8885
69 First-time homebuyer credit. Attach Form 5405
70 Recovery rebate credit (see worksheet on pages 62 and 63)
71 Add lines 62 through 70. These are your total payments

Refund

Direct deposit? See page 63 and fill in 73b, 73c, and 73d, or Form 8888.

72 If line 71 is more than line 61, subtract line 61 from line 71. This is the amount you overpaid
73a Amount of line 72 you want refunded to you. If Form 8888 is attached, check here
b Routing number
c Type: [ ] Checking [ ] Savings
d Account number
74 Amount of line 72 you want applied to your 2009 estimated tax

Amount You Owe

75 Amount you owe. Subtract line 71 from line 61. For details on how to pay, see page 65
76 Estimated tax penalty (see page 65)

Third Party Designee

Do you want to allow another person to discuss this return with the IRS (see page 66)? [ ] Yes. Complete the following. [ ] No

Designee's name Phone no. Personal identification number (PIN)

Sign Here

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Joint return? See page 15. Keep a copy for your records.

Your signature Date Your occupation Daytime phone number
Spouse's signature. If a joint return, both must sign. Date Spouse's occupation

Paid Preparer's Use Only

Preparer's signature Date Check if self-employed Preparer's SSN or PTIN
Firm's name (or yours if self-employed), address, and ZIP code EIN Phone no.



Label (page 17.)

Use the IRS label. Otherwise, please print or type.

Presidential Election Campaign

Filing status Check only one box.

Exemptions

If more than six dependents, see page 20.

Income

Attach Form(s) W-2 here. Also attach Form(s) 1099-R if tax was withheld.

If you did not get a W-2, see page 23.

Enclose, but do not attach, any payment.

Adjusted gross income

Label area with fields for name, address, and social security numbers.

Check here if you, or your spouse if filing jointly, want \$3 to go to this fund (see page 17)

Filing status options: Single, Married filing jointly, Married filing separately, Head of household, Qualifying widow(er).

Exemptions table with columns for dependent name, SSN, relationship, and child for credit.

Total number of exemptions claimed

Income table with rows for wages, interest, dividends, capital gain, IRA, pensions, unemployment, and social security.

Adjusted gross income table with rows for educator expenses, IRA deduction, student loan interest, tuition, and total adjustments.

**Tax, credits, and payments**

**Standard Deduction for—**

- People who checked any box on line 23a, 23b, or 23c or who can be claimed as a dependent, see page 32.
- All others:
  - Single or Married filing separately, \$5,450
  - Married filing jointly or Qualifying widow(er), \$10,900
  - Head of household, \$8,000

If you have a qualifying child, attach Schedule EIC.

<b>22</b>	Enter the amount from line 21 (adjusted gross income)	22	
<b>23a</b>	Check <input type="checkbox"/> You were born before January 2, 1944, <input type="checkbox"/> Blind <input type="checkbox"/> Total boxes checked <input type="checkbox"/> <b>23a</b>		
	If <input type="checkbox"/> Spouse was born before January 2, 1944, <input type="checkbox"/> Blind <input type="checkbox"/> checked <b>23a</b>		
<b>b</b>	If you are married filing separately and your spouse itemizes deductions, see page 32 and check here <b>23b</b>	<input type="checkbox"/>	
<b>c</b>	Check if standard deduction includes real estate taxes (see page 32) <b>23c</b>	<input type="checkbox"/>	
<b>24</b>	Enter your standard deduction (see left margin)	24	
<b>25</b>	Subtract line 24 from line 22. If line 24 is more than line 22, enter -0-	25	
<b>26</b>	If line 22 is over \$119,975 or you provided housing to a Midwestern displaced individual, see page 32. Otherwise, multiply \$3,500 by the total number of exemptions claimed on line 6d	26	
<b>27</b>	Subtract line 26 from line 25. If line 26 is more than line 25, enter -0-. This is your taxable income <b>27</b>		
<b>28</b>	Tax, including any alternative minimum tax (see page 33)	28	
<b>29</b>	Credit for child and dependent care expenses. Attach Schedule 2 <b>29</b>		
<b>30</b>	Credit for the elderly or the disabled. Attach Schedule 3 <b>30</b>		
<b>31</b>	Education credits. Attach Form 8863 <b>31</b>		
<b>32</b>	Retirement savings contributions credit. Attach Form 8880 <b>32</b>		
<b>33</b>	Child tax credit (see page 37). Attach Form 8901, if required <b>33</b>		
<b>34</b>	Add lines 29 through 33. These are your total credits <b>34</b>		
<b>35</b>	Subtract line 34 from line 28. If line 34 is more than line 28, enter -0-	35	
<b>36</b>	Advance earned income credit payments from Form(s) W-2, box 9 <b>36</b>		
<b>37</b>	Add lines 35 and 36. This is your total tax <b>37</b>		
<b>38</b>	Federal income tax withheld from Forms W-2 and 1099 <b>38</b>		
<b>39</b>	2008 estimated tax payments and amount applied from 2007 return <b>39</b>		
<b>40a</b>	Earned income credit (EIC) <b>40a</b>		
<b>b</b>	Nontaxable combat pay election <b>40b</b>		
<b>41</b>	Additional child tax credit. Attach Form 8812 <b>41</b>		
<b>42</b>	Recovery rebate credit (see worksheet on pages 53 and 54) <b>42</b>		
<b>43</b>	Add lines 38, 39, 40a, 41, and 42. These are your total payments <b>43</b>		
<b>44</b>	If line 43 is more than line 37, subtract line 37 from line 43. This is the amount you overpaid <b>44</b>		
<b>45a</b>	Amount of line 44 you want refunded to you. If Form 8888 is attached, check here <input type="checkbox"/> <b>45a</b>		
<b>b</b>	Routing number <input type="text"/> <b>c</b> Type <input type="checkbox"/> Checking <input type="checkbox"/> Savings		
<b>d</b>	Account number <input type="text"/>		
<b>46</b>	Amount of line 44 you want applied to your 2009 estimated tax <b>46</b>		
<b>47</b>	Amount you owe. Subtract line 43 from line 37. For details on how to pay, see page 56 <b>47</b>		
<b>48</b>	Estimated tax penalty (see page 57) <b>48</b>		

**Refund**

Direct deposit? See page 55 and fill in 45b, 45c, and 45d or Form 8888.

**Amount you owe**

**Third party designee**

Do you want to allow another person to discuss this return with the IRS (see page 57)?  Yes. Complete the following  No

Designee's name  Phone no.  Personal identification number (PIN)

**Sign here**

Joint return? See page 17. Keep a copy for your records.

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief they are true, correct, and accurately list all amounts and sources of income I received during the tax year. Declaration of preparer (other than the taxpayer) is based on all information of which the preparer has any knowledge.

Your signature	Date	Your occupation	Daytime phone number
Spouse's signature. If a joint return, both must sign.	Date	Spouse's occupation	

**Paid preparer's use only**

Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	Preparer's SSN or PTIN
Firm's name (or yours if self-employed), address, and ZIP code	EIN	Phone no. ( )	



# Income Tax Return for Single and Joint Filers With No Dependents

# 2008

OMB No. 1545-0074

## 40EZ

Label page 9.) the label. otherwise, see print pe. identification campaign 9.)

LABEL HERE	Your first name and initial	Last name	Your social security number
	If a joint return, spouse's first name and initial	Last name	Spouse's social security number
	Home address (number and street). If you have a P.O. box, see page 9.		Apt. no.
	City, town or post office, state, and ZIP code. If you have a foreign address, see page 9.		

▲ You must enter your SSN(s) above. ▲

Checking a box below will not change your tax or refund.

Check here if you, or your spouse if a joint return, want \$3 to go to this fund . . .  You  Spouse

ome ch n(s) W-2 use, but ot h, any tent.

1	Wages, salaries, and tips. This should be shown in box 1 of your Form(s) W-2. Attach your Form(s) W-2.	1
2	Taxable interest. If the total is over \$1,500, you cannot use Form 1040EZ.	2
3	Unemployment compensation and Alaska Permanent Fund dividends (see page 11).	3
4	Add lines 1, 2, and 3. This is your <b>adjusted gross income</b> .	4
5	If someone can claim you (or your spouse if a joint return) as a dependent, check the applicable box(es) below and enter the amount from the worksheet on back. <input type="checkbox"/> You <input type="checkbox"/> Spouse If no one can claim you (or your spouse if a joint return), enter \$8,950 if <b>single</b> ; \$17,900 if <b>married filing jointly</b> . See back for explanation.	5
6	Subtract line 5 from line 4. If line 5 is larger than line 4, enter -0-. This is your <b>taxable income</b> .	6
7	Federal income tax withheld from box 2 of your Form(s) W-2.	7
8a	<b>Earned income credit (EIC)</b> (see page 12).	8a
b	Nontaxable combat pay election. 8b	
9	Recovery rebate credit (see worksheet on pages 17 and 18).	9
10	Add lines 7, 8a, and 9. These are your <b>total payments</b> .	10
11	<b>Tax</b> . Use the amount on <b>line 6 above</b> to find your tax in the tax table on pages 28–36 of the booklet. Then, enter the tax from the table on this line.	11

und it directly sited! See 18 and fill 3, 12c, 2d or 8888.

12a If line 10 is larger than line 11, subtract line 11 from line 10. This is your **refund**. If Form 8888 is attached, check here

▶ b Routing number  ▶ c Type:  Checking  Savings

▶ d Account number

unt owe

13 If line 11 is larger than line 10, subtract line 10 from line 11. This is the **amount you owe**. For details on how to pay, see page 19. ▶ 13

d party ignee

Do you want to allow another person to discuss this return with the IRS (see page 20)?  Yes. Complete the following.  No

Designee's name  Phone no.  ( ) Personal identification number (PIN)

n e return? age 6. a copy for ecords.

Under penalties of perjury, I declare that I have examined this return, and to the best of my knowledge and belief, it is true, correct, and accurately lists all amounts and sources of income I received during the tax year. Declaration of preparer (other than the taxpayer) is based on all information of which the preparer has any knowledge.

Your signature	Date	Your occupation	Daytime phone number ( )
Spouse's signature. If a joint return, <b>both</b> must sign.	Date	Spouse's occupation	

arer's only

Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	Preparer's SSN or PTIN
Firm's name (or yours if self-employed), address, and ZIP code	EIN	Phone no. ( )	



## NORTH DAKOTA SENATE

STATE CAPITOL  
600 EAST BOULEVARD  
BISMARCK, ND 58505-0360



Senator Carolyn Nelson  
District 21  
1 Second Street South #5-402  
Fargo, ND 58103-1959  
Residence: 701-235-5161  
[cnelson@nd.gov](mailto:cnelson@nd.gov)

Assistant Minority Leader

**COMMITTEES:**  
Judiciary  
Government and Veterans Affairs

### SB 2369

Last session we passed a bill providing property tax refunds to homeowners; there was no consideration for the residents of some of the property being taxed as property – there was nothing for the estimated 100,534 residents of our state who live in rental housing.

SB 2369 started the session as a bill to provide property tax relief to the large number of people in the state who rent; in some districts that is close to 50%. Minnesota has had such a program for years and Legislative Council and I tried to design a useable, fair and affordable system for our constituents. The Senate Finance and Tax committee thought that this was a project worth studying and converted the bill to a study.

The original bill was similar to the Minnesota plan but considered that approximately 15% of a month's gross rent is approximately the amount used by the landlord for property tax (MN uses 19%). We worked in a system that involved annual rent, level of taxable income per household maximum of \$50,000, and a maximum credit or rebate of \$1000. Our bill benefitted those of low income and low rent the most. The spreadsheet for the original plan is attached and the refund form was really quite simple. Our original work is a good start for the proposed study.

The tax department estimated that most people who rent would fall into the \$220 rebate category, with \$400 per month rent and about \$25,000 in taxable income.

In order to fill out the form, the renter, who must have filed a current ND tax form, only needed 3 things, the completed and submitted current IRS and ND tax forms and a certificate of rent paid from the landlord or management firm. If a landlord keeps any kind of books, the amount paid would simply be a summation of the months' rent paid, a list of the renters in a unit, and a signature by the renting agent. The renter had until the end of June of the year following the submission of the tax forms to file for the refund. Not a very difficult task.

I have many renters in my district and many of them are on the lower end of the income levels. They read the articles in the media and listen to us at open forums and we talk a lot about property tax. This doesn't help them one bit. They did not see a decrease in their rent this year, although their landlords supposedly had a property tax break from our 2007 action.

I ask you to approve this engrossed version of SB 2369 to see if there is a way to help out the many in our communities who rent.