

**FIRST ENGROSSMENT  
with Senate Amendments**

Sixty-first  
Legislative Assembly  
of North Dakota

**ENGROSSED HOUSE BILL NO. 1006**

Introduced by

Appropriations Committee

(At the request of the Governor)

1 A BILL for an Act to provide an appropriation for defraying the expenses of the office of the  
2 state tax commissioner and for payment of state reimbursement under the homestead tax  
3 credit; to provide for a transfer; to amend and reenact section 57-01-04 of the North Dakota  
4 Century Code, relating to the tax commissioner's salary; to provide an exemption from the  
5 provisions of section 54-44.1-11 of the North Dakota Century Code; to provide legislative intent;  
6 and to provide for a report to the legislative assembly.

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

8 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the  
9 funds as may be necessary, are appropriated out of any moneys in the general fund in the state  
10 treasury, not otherwise appropriated, and from special funds derived from federal funds and  
11 other income, to the state tax commissioner for the purpose of defraying the expenses of the  
12 state tax commissioner and paying the state reimbursement under the homestead tax credit, for  
13 the biennium beginning July 1, 2009, and ending June 30, 2011, as follows:

|                                       | <u>Base Level</u> | <u>Adjustments or<br/>Enhancements</u> | <u>Appropriation</u> |
|---------------------------------------|-------------------|--|----------------------|
| 14                                    |                   | Adjustments or                         |                      |
| 15                                    |                   | <u>Enhancements</u>                    | <u>Appropriation</u> |
| 16 Salaries and wages                 | \$14,728,637      | \$2,675,758                            | \$17,404,395         |
| 17 Operating expenses                 | 6,030,814         | 2,049,000                              | 8,079,814            |
| 18 Capital assets                     | 18,000            | 40,000                                 | 58,000               |
| 19 Homestead tax credit               | 8,104,000         | (2,140,000)                            | 5,964,000            |
| 20 Property tax relief administration | 1,100,000         | (1,100,000)                            | 0                    |
| 21 Integrated tax system repayment    | <u>0</u>          | <u>10,230,247</u>                      | <u>10,230,247</u>    |
| 22 Total all funds                    | \$29,981,451      | \$11,755,005                           | \$41,736,456         |
| 23 Less special funds                 | <u>2,800,000</u>  | <u>(2,604,000)</u>                     | <u>196,000</u>       |

|   |                                |              |              |              |
|---|--------------------------------|--------------|--------------|--------------|
| 1 | Total general fund             | \$27,181,451 | \$14,359,005 | \$41,540,456 |
| 2 | Full-time equivalent positions | 133.00       | (2.00)       | 131.00       |

3           **SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO**  
4 **SIXTY-SECOND LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time  
5 funding items approved by the sixtieth legislative assembly for the 2007-09 biennium and the  
6 2009-11 one-time funding items included in the appropriation in section 1 of this Act:

|    |                                     |                |                  |
|----|-------------------------------------|----------------|------------------|
| 7  | <u>One-Time Funding Description</u> | <u>2007-09</u> | <u>2009-11</u>   |
| 8  | Integrated tax system loan payment  | \$5,356,702    | \$10,230,247     |
| 9  | On-site support-GenTax              | 0              | 1,234,000        |
| 10 | Oil and gas integration to GenTax   | <u>0</u>       | <u>1,500,000</u> |
| 11 | Total all funds                     | \$5,356,702    | \$12,964,247     |
| 12 | Total special funds                 | <u>0</u>       | <u>100,000</u>   |
| 13 | Total general fund                  | \$5,356,702    | \$12,864,247     |

14 The 2009-11 one-time funding amounts are not a part of the entity's base budget for the  
15 2011-13 biennium. The tax commissioner shall report to the appropriations committees of the  
16 sixty-second legislative assembly on the use of this one-time funding for the biennium  
17 beginning July 1, 2009, and ending June 30, 2011.

18           **SECTION 3. TRANSFER.** There is transferred to the general fund in the state  
19 treasury, out of motor vehicle fuel tax revenue, collected pursuant to section 57-43.1-02, the  
20 sum of \$1,288,000 for the purpose of reimbursing the general fund for expenses incurred in the  
21 collection of the motor vehicle fuels and special fuels taxes and the administration of these  
22 taxes.

23           **SECTION 4. LEGISLATIVE INTENT - INDIVIDUAL INCOME TAX SIMPLIFICATION.**

24 It is the intent of the sixty-first legislative assembly, as it considers proposals to offer individual  
25 income tax relief through tax rate reductions, that it work toward restoring the simplicity  
26 originally intended for tax form ND-1 by eliminating or reducing the number of tax deductions  
27 and credits in a way that minimizes any negative impact for those individuals who currently  
28 claim those tax deductions and credits.

29           **SECTION 5. EXEMPTION.** The amount appropriated for the integrated tax system, as  
30 contained in section 1 of this Act, is not subject to the provisions of section 54-44.1-11 and the

1 funds are available for continued work on the integrated tax system during the biennium  
2 beginning July 1, 2009, and ending June 30, 2011.

3 **SECTION 6. AMENDMENT.** Section 57-01-04 of the North Dakota Century Code is  
4 amended and reenacted as follows:

5 **57-01-04. Salary.** The annual salary of the state tax commissioner is ~~eighty-three~~  
6 ninety thousand thirty-nine six hundred seventy-eight dollars through June 30, ~~2008~~ 2010, and  
7 ~~eighty-six~~ ninety-five thousand three hundred sixty-two dollars thereafter.