

FISCAL NOTE
Requested by Legislative Council
02/02/2015

Amendment to: SB 2175

- 1 A. **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.*

	2013-2015 Biennium		2015-2017 Biennium		2017-2019 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues			\$(776,000)	\$546,000		
Expenditures						
Appropriations						

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

	2013-2015 Biennium	2015-2017 Biennium	2017-2019 Biennium
Counties			
Cities			
School Districts			
Townships			

- 2 A. **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 SB 2175 eliminates the withholding of \$.07 per gallon from ag-related fuel tax refunds, and transfers a portion of the farm machinery gross receipts tax to the agricultural research fund.

- 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.*

Section 1 of engrossed SB 2175 transfers 2% of the farm machinery gross receipts tax to the agricultural research fund, up to a maximum of \$1 million per fiscal year. This is expected to increase revenue to the research fund by an estimated \$850,000 in the 2015-17 biennium. This change will reduce revenues in the state general fund and state aid distribution fund by \$850,000.

Section 2 of engrossed SB 2175 eliminates the requirement that \$.07 per gallon be withheld from all ag-related fuel tax refunds for distribution to the agricultural research fund. This change will increase fuel refunds and reduce revenues in the agricultural research fund by an estimated \$230,000 in the 2015-17 biennium.

The estimated biennial net effect of engrossed SB 2175, if enacted, is a reduction in state general fund revenues of an estimated \$776,000, a reduction in the state aid distribution fund of an estimated \$74,000, an increase in the agricultural research fund of an estimated \$850,000 and a decrease of \$230,000 in that fund due to refunds not being withheld and transferred. The last three amounts listed are all "other funds" for the purpose of 1A above.

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 or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

Name: Kathryn L. Strombeck

Agency: Office of Tax Commissioner

Telephone: 328-3402

Date Prepared: 02/03/2015