

**FISCAL NOTE**  
**Requested by Legislative Council**  
**03/25/2015**

Amendment to: SB 2292

- 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						
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).*

SB 2292 second engrossment with House Amendments authorizes corporations to elect alternative methods for apportioning business income beginning with tax year 2018 and beyond.

- 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.*

SB 2292 second engrossment with House Amendments allows businesses that apportion income to voluntarily elect to use a double-weighted sales factor for tax years 2018 and 2019. The election is binding for five consecutive tax years. The sales factor election grows to 6 times the weight of other factors for tax years 2020 and 2021. For tax years after 2022, the election becomes a sales-only factor.

If enacted, SB 2292 second engrossment with House Amendments is expected to result in a decrease in state general fund revenues beginning with the 2017-19 biennium. It is difficult to estimate the impact of this bill on future biennial revenues because a forecast that far in the future does not exist and the current corporate industry mix could change in the years to come.

Section 3 deals with the Multistate Tax Compact. Chapter 57-59 relating to the Compact is being repealed and reenacted in its entirety, except for provisions that relate to requiring or allowing for an equally weighted three-factor apportionment formula. There is no additional impact on revenues due to this section.

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.*

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**Date Prepared:** 03/26/2015