

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1006

Page 1, line 3, replace "and to provide for a transfer" with "to provide for a continuing appropriation; to provide for transfers; to create and enact a new section to chapter 57-01 of the North Dakota Century Code, relating to a multistate tax audit fund; and to declare an emergency"

Page 1, replace lines 14 through 22 with:

"Salaries and wages	\$21,528,135	\$73,448	\$21,601,583
Operating expenses	7,628,262	(878,967)	6,749,295
Capital assets	16,000	(10,000)	6,000
Homestead tax credit	18,690,000	(2,690,000)	16,000,000
Disabled veterans' credit	<u>7,175,091</u>	<u>(264,891)</u>	<u>6,910,200</u>
Total all funds	\$55,037,488	(\$3,770,410)	\$51,267,078
Less estimated income	<u>125,000</u>	<u>0</u>	<u>125,000</u>
Total general fund	\$54,912,488	(\$3,770,410)	\$51,142,078
Full-time equivalent positions	136.00	(3.00)	133.00

SECTION 2. HEALTH INSURANCE INCREASE. The salaries and wages line item in section 1 of this Act includes the sum of \$380,646 from the general fund for increases in employee health insurance premiums from \$1,130 to \$1,249 per month."

Page 2, after line 3, insert:

"SECTION 4. LINE ITEM TRANSFERS - 2015-17 BIENNIUM. The state tax commissioner may transfer funds between the homestead tax credit and disabled veterans' tax credit line items in section 1 of chapter 40 of the 2015 Session Laws if one line item does not have sufficient funds available for state reimbursement of eligible tax credits. The state tax commissioner shall notify the office of management and budget and the legislative council of any transfers made pursuant to this section.

SECTION 5. LINE ITEM TRANSFERS - 2017-19 BIENNIUM. The state tax commissioner may transfer funds between the homestead tax credit and disabled veterans' tax credit line items in section 1 of this Act if one line item does not have sufficient funds available for state reimbursement of eligible tax credits. The state tax commissioner shall notify the office of management and budget and the legislative council of any transfers made pursuant to this section."

Page 2, after line 8, insert:

"SECTION 7. A new section to chapter 57-01 of the North Dakota Century Code is created and enacted as follows:

Multistate tax audit fund - Continuing appropriation - Transfers to the general fund.

There is created in the state treasury the multistate tax audit fund. The fund consists of all moneys collected and received by the tax commissioner as a result of participation in the multistate tax commission audit and nexus programs. All moneys in the fund are appropriated to the tax commissioner on a continuing basis to pay the

multistate tax commission audit and nexus program fees. On or before June thirtieth of each year, the tax commissioner shall certify to the state treasurer the amount of accumulated funds in the multistate tax audit fund which exceed the audit and nexus program fees for the following year. The state treasurer shall transfer the certified amount from the multistate tax audit fund to the general fund prior to the end of each fiscal year.

SECTION 8. EMERGENCY. Section 4 of this Act is declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1006 - State Tax Commissioner - House Action

	Base Budget	House Changes	House Version
Salaries and wages	\$21,528,135	\$73,448	\$21,601,583
Operating expenses	7,628,262	(878,967)	6,749,295
Capital assets	16,000	(10,000)	6,000
Homestead tax credit	18,690,000	(2,690,000)	16,000,000
Disabled veterans' credit	7,175,091	(264,891)	6,910,200
Total all funds	\$55,037,488	(\$3,770,410)	\$51,267,078
Less estimated income	125,000	0	125,000
General fund	\$54,912,488	(\$3,770,410)	\$51,142,078
FTE	136.00	(3.00)	133.00

Department No. 127 - State Tax Commissioner - Detail of House Changes

	Adjusts Funding for Base Payroll Changes¹	Adds Funding for Health Insurance Increases²	Reduces Funding for Salaries and Wages³	Reduces Funding for Operating Expenses⁴	Reduces Funding for Capital Assets⁵	Reduces Funding for Tax Credit Programs⁶
Salaries and wages	\$25,020	\$380,646	(\$332,218)			
Operating expenses				(878,967)		
Capital assets					(10,000)	
Homestead tax credit						(2,690,000)
Disabled veterans' credit						(264,891)
Total all funds	\$25,020	\$380,646	(\$332,218)	(\$878,967)	(\$10,000)	(\$2,954,891)
Less estimated income	0	0	0	0	0	0
General fund	\$25,020	\$380,646	(\$332,218)	(\$878,967)	(\$10,000)	(\$2,954,891)
FTE	(3.00)	0.00	0.00	0.00	0.00	0.00

	Total House Changes
Salaries and wages	\$73,448
Operating expenses	(878,967)
Capital assets	(10,000)
Homestead tax credit	(2,690,000)
Disabled veterans' credit	(264,891)
	(\$3,770,410)

Total all funds Less estimated income	0
General fund	(\$3,770,410)
FTE	(3.00)

¹ Funding is adjusted for cost-to-continue 2015-17 biennium salaries and benefit increases and for other base payroll changes, including the removal of 3 FTE positions (1 tax services FTE position, 1 office assistant FTE position, and 1 document imaging FTE position).

² Funding is added for increases in health insurance premiums from \$1,130 to \$1,249 per month.

³ Funding is reduced for 3 FTE positions that are vacant.

⁴ Funding is reduced for operating expenses, primarily related to professional services, postage, information technology equipment, and office furniture and equipment.

⁵ Funding is reduced for capital assets, from \$16,000 to \$6,000.

⁶ Funding is reduced for the homestead tax credit program by \$2,690,000, from \$18,690,000 to \$16,000,000. Funding is reduced for the disabled veterans' tax credit program by \$264,891, from \$7,175,091 to \$6,910,200.

This amendment also provides the following:

- Adds a section to identify the funding increases for the health insurance premium increase.
- Adds a section and provides an emergency clause allowing the Tax Commissioner to transfer funding between the homestead tax credit and the disabled veterans' tax credit line items in the 2015-17 biennium.
- Adds a section allowing the Tax Commissioner to transfer funding between the homestead tax credit and the disabled veterans' tax credit line items in the 2017-19 biennium.
- Adds a section to create a multistate tax audit fund. The collections from the multistate tax commission audit and nexus programs are deposited in the fund, and the related program expenses are paid from the fund pursuant to a continuing appropriation. Excess collections are transferred to the general fund at the end of each year. This section will reduce estimated general fund revenues by \$450,000 for the 2017-19 biennium.