

HOUSE BILL NO. 1425

Introduced by

Representative Headland

1 A BILL for an Act to create and enact a new subsection to section 57-38-30.3 of the North
2 Dakota Century Code, relating to calculation of individual income tax based on general fund
3 revenues.

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

5 **SECTION 1.** A new subsection to section 57-38-30.3 of the North Dakota Century Code is
6 created and enacted as follows:

7 If the actual general fund revenues exceed the estimated general fund revenues for
8 the twelve-month period ending June thirtieth of an even-numbered year by at least
9 ten percent as determined by the director of the office of management and budget, the
10 rates under subsection 1 must be reduced by twenty-five one-hundredths of
11 one percent for the subsequent tax year beginning after December thirty-first of an
12 even-numbered year. The tax commissioner shall publish the reduced rates and notify
13 taxpayers of the reduced rates by November first of an even-numbered year. The
14 tax commissioner may determine the form and manner of publishing the reduced rates
15 and notifying taxpayers, including any notification that taxpayers are not required to file
16 returns or pay taxes. For purposes of this subsection:

17 a. "Estimated general fund revenues" means the estimated general fund revenues,
18 excluding the July first of an odd-numbered year general fund balance, as
19 reflected in the cash flow forecast developed by the director of the office of
20 management and budget based on the total estimated general fund revenues for
21 the biennium approved by the most recently adjourned special or regular session
22 of the legislative assembly.

23 b. Any reductions to the rates under subsection 1 apply to tax years beginning after
24 December 31, 2022.

- 1 c. The rate reductions must be equally applied to all tax brackets.
- 2 d. The reduced rates must be rounded to the nearest one-hundredth of a percent.
- 3 e. This subsection does not limit or suspend any provision in chapter 57-38 which is
- 4 not in conflict with this section, including provisions for assessment and refund
- 5 under sections 57-38-34.4, 57-38-38, and 57-38-40.