

**FISCAL NOTE**  
**SENATE BILL NO. 2093**  
**LC# 25.0009.01000**  
**01/06/2025**

## 1 - 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.*

	2023-2025 Biennium		2025-2027 Biennium		2027-2029 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

## 2 - County, City, School District, and Township Fiscal Effect

*Identify the fiscal effect on the appropriate political subdivision.*

	2023-2025 Biennium	2025-2027 Biennium	2027-2029 Biennium
Counties			
Cities			
School Districts			
Townships			

## 3 - 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 2093 extends the existing income tax deduction for law enforcement personnel benefits to include retired law enforcement personnel benefits paid to the surviving spouse of a deceased qualified retired peace officer.

## 4 - Fiscal Impact Sections Detail

*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 the bill excludes 100% of an individual's law enforcement pay from individual income tax. This section is amended to extend this exclusion to retired law enforcement personnel benefits paid to the surviving spouse of a deceased qualified retired peace officer.

## 5 - Revenues Detail

*For information shown under state fiscal effect in 1 or 2, please explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

In the 2023 session, SB 2147 created an income tax deduction for retired law enforcement personnel benefits.

For tax year 2023, there were 256 claims for a total deduction amount of \$13,300,571. This calculates to an average North Dakota taxable income of \$51,955. As an example, considering the 0% bracket for the first \$44,750 of income for individuals and applying the tax rate of 1.95% to the remaining \$7,205 in taxable income, the reduction in revenue in this scenario calculates to \$35,967.

While the extension of this exclusion is likely to cause a reduction in state general fund revenues, the number of individuals eligible for the credit and the retirement income for said individuals remains unknown and the impact is not able to be determined. Because this bill amends the existing deduction for retired law enforcement personnel benefits, the overall impact would likely be a small percentage and immaterial.

## 6 - Expenditures Detail

*For information shown under state fiscal effect in 1 or 2, please explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

## 7 - Appropriations Detail

*For information shown under state fiscal effect in 1 or 2, please 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.*

## Contact Information

**Name:** Shailyn Hieb

**Agency:** Office of State Tax Commissioner

**Telephone:** 7013283007

**Date Prepared:** 01/06/2025