

2025 SENATE FINANCE AND TAXATION

SB 2047

2025 SENATE STANDING COMMITTEE MINUTES

Finance and Taxation Committee Fort Totten Room, State Capitol

SB 2047
1/8/2025

A bill relating to withholding from wages of employees.

9:15 a.m. Chairman Weber called the meeting to order.

Members present: Chairman Weber, Vice Chairman Rummel, Senator Marcellais, Senator Patten, Senator Powers, Senator Walen.

Discussion Topics:

- Military withholding exemptions
- Effective date of bill enactment
- Application process

9:17 a.m. Brian Kroshus, North Dakota Tax Commissioner, testified in favor and submitted testimony #28157.

9:24 a.m. Chairman Weber closed the hearing.

9:24 a.m. Senator Patten moved a Do Pass.

9:24 a.m. Vice Chairman Rummel seconded the motion.

Senators	Vote
Senator Mark F. Weber	Y
Senator Dean Rummel	Y
Senator Richard Marcellais	Y
Senator Dale Patten	Y
Senator Michelle Powers	Y
Senator Chuck Walen	Y

Motion passed 6-0-0.

Senator Powers will carry the bill.

9:25 a.m. Chairman Weber closed the hearing.

Chance Anderson, Committee Clerk

REPORT OF STANDING COMMITTEE
SB 2047 ([25.8016.01000](#))

Finance and Taxation Committee (Sen. Weber, Chairman) recommends **DO PASS** (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING), and be placed on the Eleventh order on the calendar. This bill does not affect workforce development.



STATE OF NORTH DAKOTA
OFFICE OF STATE TAX COMMISSIONER
BRIAN KROSHUS, COMMISSIONER

Testimony

Senate Finance and Taxation Committee

Senate Bill 2047

January 8, 2025

Chairman Weber, and members of the Senate Finance & Taxation Committee:

I am Tax Commissioner Brian Kroshus and I am here to provide testimony in support of Senate Bill 2047. Senate Bill 2047 amends North Dakota income tax withholding requirements to avoid tax being unnecessarily withheld from military pay earned by servicemembers in North Dakota.

The 2023 Legislative Assembly passed Senate Bill 2293, exempting military pay from state income tax for active duty, National Guard, and Reserve members. Although military pay is no longer subject to North Dakota income tax, existing law still requires that tax be withheld from military pay. The existing law results in unnecessary withholding from exempt wages and delays servicemembers' receipt of a portion of their exempt military pay.

Senate Bill 2047 creates an exception to the income withholding requirements providing that tax cannot be withheld from military pay unless the servicemember specifically requests that tax be withheld. This simple change ensures servicemembers receive all their exempt military pay as quickly as they earn it and avoids unnecessary withholding and refunding of military pay that is exempt from North Dakota income tax.

This bill is effective for taxable years beginning after December 31, 2025.

Chairman Weber, and members of the Committee, I respectfully request favorable consideration of Senate Bill 2047. I am available for any questions you may have. Thank you.

Prepared by:
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2025 HOUSE FINANCE AND TAXATION

SB 2047

2025 HOUSE STANDING COMMITTEE MINUTES

Finance and Taxation Committee Room JW327E, State Capitol

SB 2047
3/11/2025

Relating to withholding from wages of employees; and to provide an effective date.
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9:00 a.m. Chairman Headland opened the hearing.

Members Present: Chairman Headland, Vice Chairman Hagert, Representatives Anderson, Dockter, Foss, Grueneich, Ista, Motschenbacher, Nehring, Olson, Steiner, Toman

Members Absent: Representatives Dressler, Porter

Discussion Topics:

- Military pay

9:01 a.m. Matthew Danielson, Legal Counsel, State of ND, testified in favor.

9:04 a.m. Chairman Headland closed the hearing.

9:04 a.m. Representative J. Olson moved a Do Pass.

9:04 a.m. Representative D. Anderson seconded the motion.

Representatives	Vote
Representative Craig Headland	Y
Representative Jared Hagert	Y
Representative Dick Anderson	Y
Representative Jason Dockter	Y
Representative Ty Dressler	AB
Representative Jim Grueneich	Y
Representative Mike Motschenbacher	Y
Representative Dennis Nehring	Y
Representative Jeremy Olson	Y
Representative Todd Porter	AB
Representative Vicky Steiner	Y
Representative Nathan Toman	Y
Representative Austin Foss	Y
Representative Zachary Ista	Y

9:05 a.m. Motion passed 12-0-2.

9:05 a.m. Representative J. Olson will carry the bill.

9:05 a.m. Representative Dockter moved to add to Consent Calendar.

9:05 a.m. Representative D. Anderson seconded the motion.

9:06 a.m. Voice vote - motion passed.

9:07 a.m. Chairman Headland closed the meeting.

Janae Pinks, Committee Clerk

REPORT OF STANDING COMMITTEE
SB 2047 ([25.8016.01000](#))

Finance and Taxation Committee (Rep. Headland, Chairman) recommends **DO PASS** and **BE PLACED ON THE CONSENT CALENDAR** (12 YEAS, 0 NAYS, 2 ABSENT OR EXCUSED AND NOT VOTING). SB 2047 was placed on the Tenth order on the calendar.