

FISCAL NOTE
Requested by Legislative Council
01/28/2013

Bill/Resolution No.: SB 2366

- 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.*

	2011-2013 Biennium		2013-2015 Biennium		2015-2017 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.*

	2011-2013 Biennium	2013-2015 Biennium	2015-2017 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 2366 creates a new income tax credit for making a charitable contribution to a nonprofit organization that operates a homeless shelter in a building or structure located in North Dakota.

- 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 2366 creates a new income tax credit equal to 40% of the total contributions made during the tax year to a nonprofit organization that operates a homeless shelter in a building or structure located in North Dakota. If the credit exceeds a taxpayer's tax liability for the tax year in which the contribution is made, the unused credit may be carried over and used on a subsequent year's return for up to 10 years. The contribution must be added back into North Dakota taxable income to the extent it reduces the taxpayer's federal taxable income. If enacted, SB 2366 is expected to reduce state general revenues for the 2013-15 biennium. The amount of the reduction cannot be determined because the potential amount of total charitable contributions of cash or property that may be made to qualifying nonprofit organizations is unknown.

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 is also included in the executive budget or relates to a continuing appropriation.*

Name: Kathryn L. Strombeck

Agency: Office of Tax Commissioner

Telephone: 328-3402

Date Prepared: 02/01/2013