

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION
SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

1131

2001 HOUSE FINANCE AND TAXATION

HB 1131

REP. HAAS Stated that was right, whoever buys that car will pay sales tax on it.

But this bill would actually result in the loss of the sales tax on the casual sale. The person who sold the car would apply for a refund from the Tax Department.

REP. HERBEL There is a fairness issue here, you pay tax upon the tax. Eventually the tax gets paid, but it gets paid by somebody else, when that vehicle is traded in. It seems when you buy an object and sell it to somebody else and pay the tax on it, he sells it to somebody else, they pay the tax on, it keeps getting taxed on and on.

REP. HAAS I think the person that asked us to sponsor this bill, that was the rationale, the fairness issue. Automobiles aren't the only thing that get taxed more than once.

REP. SCHMIDT Gave an example of selling cars at auctions.

With no further testimony, the hearing was closed.

COMMITTEE ACTION

REP. HERBAL Made a motion for a **DO NOT PASS**.

REP. NICHOLAS Second the motion. **MOTION CARRIED**

14 yes 0 no 1 absent

REP. KROEBER was given the floor assignment.

FISCAL NOTE
 Requested by Legislative Council
 12/21/2000

Bill/Resolution No.: HB 1131

Amendment to:

1A. **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.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues			(\$9,000,000)			
Expenditures						
Appropriations						

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2. **Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

HB 1131 allows a motor vehicle excise tax trade-in refund for casual sales in a manner similar to trade-in allowances allowed by dealers.

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.*

It is estimated that approximately 30,000 of the 175,000 vehicles sold annually in North Dakota may be affected by the provisions of HB 1131. Assuming an average vehicle value of \$3,000, the fiscal effect is an estimated loss of -\$9,000,000 for the 2001-03 biennium.

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, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

Name:	Kathryn L. Strombeck	Agency:	Tax Dept.
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Phone Number: 8-3402

Date Prepared: 01/03/2001

Date: 1-16-01
Roll Call Vote #: 1

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1131

House FINANCE & TAXATION Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Not Pass

Motion Made By Rep. Herbel Seconded By Rep. Nicholas

Representatives	Yes	No	Representatives	Yes	No
CARLSON, AL, CHAIRMAN	✓		NICHOLAS, EUGENE	✓	
DROVDAL, DAVID, V-CHAIR	✓		RENNER, DENNIS	✓	
BRANDENBURG, MICHAEL	✓		RENNERFELDT, EARL	✓	
CLARK, BYRON	✓		SCHMIDT, ARLO	✓	
GROSZ, MICHAEL	✓		WIKENHEISER, RAY	✓	
HERBEL, GIL	✓		WINRICH, LONNY	✓	
KELSH, SCOT	✓				
KROEBER, JOE	✓				
LLOYD, EDWARD	A				

Total (Yes) 14 No 0

Absent 1

Floor Assignment Rep. Kroeber

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410)
January 16, 2001 12:15 p.m.

Module No: HR-06-1048
Carrier: Kroeber
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1131: Finance and Taxation Committee (Rep. Carlson, Chairman) recommends DO NOT PASS (14 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1131 was placed on the Eleventh order on the calendar.