

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

2079

2007 SENATE FINANCE AND TAXATION

SB 2079

2007 SENATE STANDING COMMITTEE MINUTES

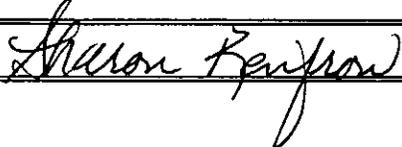
Bill/Resolution No. SB 2079

Senate Finance and Taxation Committee

Check here for Conference Committee

Hearing Date: January 8, 2007

Recorder Job Number: #698

Committee Clerk Signature 

Minutes:

Sen. Urlacher called the committee to order and opened the hearing on SB 2079.

Joseph Becker, Auditor III/Research Specialist for the State Tax Commissioner appeared in support of the bill with written testimony. (See attached)

Sen. Urlacher: are there any increases in any of the categories then?

Mr. Becker: no, there are no subsequent changes in this bill what so ever.

Sen. Oehlke: when I looked at how the taxes prorated compared to your good red book, it appeared to me that where the levels change that there is some discrepancy there, does that make sense? I just want to make sure that there isn't any change in the actual tax here.

Mr. Becker: the changes are to clean up the language and to bring this whole section in. You're seeing the rate that we're placing the bill back in 2001. The discrepancy that your noting in the red book is that this provision index is those brackets each year and so what your looking at are the rates and brackets that came in 2001, what your seeing in the red book are the index figures that have occurred since then.

Sen. Oehlke: so with the final bill then would change those numbers or?

Mr. Becker: no, that's existing law now Senator. The tax rates are not being changed in this statute.

No one appeared in opposition on the bill.

Sen. Urlacher closed the hearing and asked for any discussion.

Sen. Triplett made a motion for **DO PASS**, seconded by Sen. Oehlke.

7-0-0, Sen. Oehlke will carry the bill.

Closed the hearing.

FISCAL NOTE
Requested by Legislative Council
12/27/2006

Bill/Resolution No.: SB 2079

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.*

	2005-2007 Biennium		2007-2009 Biennium		2009-2011 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

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

2005-2007 Biennium			2007-2009 Biennium			2009-2011 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2A. **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 2079 removes obsolete language from the individual income tax statutes and reorganizes some of the tax credits references. There is no fiscal impact.

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.*

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
Phone Number:	328-3402	Date Prepared:	01/05/2007

REPORT OF STANDING COMMITTEE (410)
January 8, 2007 10:34 a.m.

Module No: SR-04-0277
Carrier: Oehlke
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SB 2079: Finance and Taxation Committee (Sen. Urlacher, Chairman) recommends DO PASS (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2079 was placed on the Eleventh order on the calendar.

2007 HOUSE FINANCE AND TAXATION

SB 2079

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. SB 2079

House Finance & Taxation Committee

Check here for Conference Committee

Hearing Date: 2/26/07

Recorder Job Number: 3801

Committee Clerk Signature *D. P. P. P. P.*

Minutes:

Rep. Belter: We will open the hearing on SB 2079. Clerk read title.

Donnita Wald, Legal Counsel for State Tax Department: (see attached testimony #1).

Rep. Belter: You made the statement that you are removing tax credits. What type of credits are you talking about.

Donnita Wald: The credit that we are removing is the credit for unused federal alternative minimum taxes. Those federal provisions expired in 2004, so no one is taking them anymore, so we're just getting them out of statute.

Rep. Weiler: The last thing you spoke of, the federal provisions that have been removed, is that page 8, lines 21-28, or is that in a different section.

Donnita Wald: Those provisions are on page 7, lines 1-18.

Rep. Belter: You're just complying with changes made at the federal level.

Donnita Wald: Yes, that is correct. I'm trying to shorten up the statute a little bit.

Rep. Weiler: Could you just simplify again on page 8, lines 21-28, what is being removed there.

Donnita Wald: What we're doing is removing those credits in section 12, 13, 14 and 15 and replacing them in a new section on page 6.

Rep. Drovdal: First the tax cuts on page 6 are already all in place on the short form, is that correct.

Donnita Wald: That's correct.

Rep. Drovdal: The second question, since we're moving all these tax credits to one section of the century code, I don't see anyplace here that we are deleting the duplicate language out of all the other parts of the century code. Can't we do that at the same time.

Donnita Wald: If you recall, this particular section of the law, the short form requires that in order for the credit to be available on the short form, you have to put it in this particular section of the law, the short form law. Those other credits are scattered throughout the century code and they may apply to corporations, for example the Seed Capital and Ag business investment, the renaissance loan tax credit which are in a different chapter altogether. You can't remove those.

Rep. Belter: Thank you. Further testimony in support. Testimony in opposition or neutral. We will close the hearing. What are the committee's wishes in regard to SB 2079.

Rep. Drovdal: I move a Do Pass.

Rep. Grande: Second.

Rep. Belter: Discussion, clerk will call the roll.

11 YES 0 NO 3 ABSENT

DO PASS

CARRIER: Rep. Weiler

Date:
Roll Call Vote #: 2079

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO.

House _____ Finance & Tax _____ Committee

Check here for Conference Committee

Legislative Council Amendment
Number _____

Action Taken Do Pass

Motion Made By Rep. Drovdal Seconded By Rep. Grande

Representatives	Yes	No	Representatives	Yes	No
Chairman Belter	✓		Rep. Froelich	✓	
Vice Chairman Drovdal	✓		Rep. Kelsh		
Rep. Brandenburg			Rep. Pinkerton	✓	
Rep. Froseth	✓		Rep. Schmidt	✓	
Rep. Grande	✓		Rep. Vig	✓	
Rep. Headland					
Rep. Owens	✓				
Rep. Weiler	✓				
Rep. Wrangham	✓				

Total (Yes) 11 No 0

Absent 3

Floor Assignment Rep. Weiler

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

REPORT OF STANDING COMMITTEE

SB 2079: Finance and Taxation Committee (Rep. Belter, Chairman) recommends DO PASS (11 YEAS, 0 NAYS, 3 ABSENT AND NOT VOTING). SB 2079 was placed on the Fourteenth order on the calendar.

2007 TESTIMONY

SB 2079

Testimony—
Senate Finance and Taxation Committee

Senate Bill 2079

January 8, 2007

Prepared by Joseph Becker, Auditor III/Research Specialist
North Dakota Office of State Tax Commissioner
Phone: 328-3451
E-mail: jjbecker@state.nd.us

Good morning, Chairman Urlacher and Members of the Committee:

For the record, my name is Joseph Becker, and I'm here on behalf of the North Dakota Office of State Tax Commissioner (Tax Department).

~~House~~ ^{Senate 2079} Bill ~~143~~ is an individual income tax bill. Its only purpose is to make technical changes to the section of the law governing what we know as the main method of filing for individuals which is found on Form ND-1.

Reason for bill

The sole reason for this bill is to make a number of technical changes to this section of the law. They remove obsolete language which expired at the end of 2004 and reorganize the provisions providing for the tax credits allowed under this method of filing.

Explanation of bill

The changes start on page 6 of the bill.

On **page 6, lines 21 through 31**, you'll find where all of the tax credit provisions contained in this section of the law have been placed under one subsection for easy location.

On **page 7, lines 1 through 18**, you'll find the obsolete language that is being removed.

Finally, on **page 8, lines 21 through 28**, the language being removed is for the tax credit provisions that have been moved to a new location (*see page 6, lines 21 through 31*).

Fiscal impact

The changes made by this bill have no fiscal impact.

Conclusion

The Tax Commissioner requests the Committee's favorable consideration of Senate Bill 2079. If there are any questions from the Committee, Mr. Chairman, I'd be happy to address them.

2-26-07

#1

SB 2079

Testimony—

House Finance and Taxation Committee

Senate Bill 2079

February 26, 2007

Prepared by: Donnita Wald, Legal Counsel
North Dakota Office of State Tax Commissioner
Phone: 328-2777
E-mail: dwald@nd.gov

Good morning, Chairman Belter and Members of the Committee:

For the record, my name is Donnita Wald, and I'm here on behalf of the North Dakota Office of State Tax Commissioner (Tax Department).

House Bill 1143 is an individual income tax bill. Its only purpose is to make technical changes to the section of the law governing what we know as the main method of filing for individuals which is found on Form ND-1.

Reason for bill

The sole reason for this bill is to make a number of technical changes to this section of the law. They remove obsolete language which expired at the end of 2004 and reorganize the provisions providing for the tax credits allowed under this method of filing.

Explanation of bill

The changes start on page 6 of the bill.

On **page 6, lines 21 through 31**, you'll find where all of the tax credit provisions contained in this section of the law have been placed under one subsection for easy location.

On **page 7, lines 1 through 18**, you'll find the obsolete language that is being removed.

Finally, on **page 8, lines 21 through 28**, the language being removed is for the tax credit provisions that have been moved to a new location (*see page 6, lines 21 through 31*).

**Fiscal impact**

The changes made by this bill have no fiscal impact.

Conclusion

The Tax Commissioner requests the Committee's favorable consideration of Senate Bill 2079. If there are any questions from the Committee, Mr. Chairman, I'd be happy to address them.