

**FISCAL NOTE**  
**Requested by Legislative Council**  
**01/10/2017**

Bill/Resolution No.: HB 1239

- 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.*

	2015-2017 Biennium		2017-2019 Biennium		2019-2021 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
<b>Revenues</b>			\$(8,000)			
<b>Expenditures</b>						
<b>Appropriations</b>						

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

	2015-2017 Biennium	2017-2019 Biennium	2019-2021 Biennium
<b>Counties</b>			
<b>Cities</b>			
<b>School Districts</b>			
<b>Townships</b>			

- 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).*

HB 1239 creates a new income tax deduction for individuals who suffer a stillbirth.

- 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.*

Section 1 of the bill allows an income tax deduction to an individual for a stillbirth, as evidenced by a fetal death certificate issued by the North Dakota Health Department’s Division of Vital Records.

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.*

The provisions of the bill allow a deduction that is equal to the amount of the dependency exemption allowed under federal income tax law, which is to be claimed on the income tax return filed for the tax year in which the stillbirth occurred. The federal dependency exemption, which is adjusted for inflation each year, is \$4,050 for the 2017 tax year.

A \$4,050 deduction would result in a tax reduction ranging from \$45 to \$117 depending on the tax brackets in which the individual’s income falls. Based on statistics from the North Dakota Division of Vital Records, the number of fetal deaths over the years 2001 through 2015 ranged from 34 to 75 per year, with an average of 49 per year. Assuming the average number of 49, and applying an average tax rate of 2%, the enactment of HB 1239 would reduce state general fund revenues by an estimated \$8,000 for the 2017-19 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, 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.*

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