

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

1078

2001 HOUSE FINANCE AND TAXATION

HB 1078

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1078

House Finance and Taxation Committee

Conference Committee

Hearing Date January 15, 2001

Tape Number	Side A	Side B	Meter #
1		x	Recorder did not work
Committee Clerk Signature <i>Jamie Stein</i>			

Minutes:

REP. AL CARLSON, CHAIRMAN, Opened the hearing with one committee member absent.

JILL WEIGEL, REPRESENTING THE NORTH DAKOTA OFFICE OF STATE TAX COMMISSIONER Testified in support of the bill. See attached written testimony.

REP. HERBEL Asked whether this was the same bill as was before the committee a week before.

REP. CARLSON Asked whether there were any changes from the bill passed out of committee a week ago.

JILL WEIGEL Stated there were some changes.

With no further testimony, the hearing was closed.

COMMITTEE ACTION

REP. RENNER Made a motion for a **DO PASS**.

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

14 Yes 0 No 1 Absent

REP. RENNER Was given the floor assignment.

FISCAL NOTE
 Requested by Legislative Council
 12/14/2000

Bill/Resolution No.: HB 1078

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						
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 1078 will have a fiscal impact of less than \$5000 during the 01-03 biennium.

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, 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 Department
Phone Number:	328-3402	Date Prepared:	01/12/2001

Date: 1-15-01
Roll Call Vote #: 1

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1078

House FINANCE & TAXATION Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Do pass

Motion Made By Rep. Renner Seconded By Rep. Nicolas

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. Renner

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

REPORT OF STANDING COMMITTEE (410)
January 15, 2001 11:39 a.m.

Module No: HR-05-0976
Carrier: Renner
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1078: Finance and Taxation Committee (Rep. Carlson, Chairman) recommends DO PASS (14 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1078 was placed on the Eleventh order on the calendar.

2001 SENATE FINANCE AND TAXATION

HB 1078

2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 1078

Senate Finance and Taxation Committee

Conference Committee

Hearing Date 2/28/01

Tape Number	Side A	Side B	Meter #
1		x	42-end
2	x		0-3.5
Committee Clerk Signature <i>Lynelle H. Kraft</i>			

Minutes:

Senator Urlacher: Opened the hearing on HB 1078, relating to estimated income tax payment requirements.

Jill Weigel: State Tax Dept., testified in support. Written testimony attached.

Senator Stenehjem: This just moves the threshold?

Jill Weigel: That is correct. Explains.

Senator Stenehjem: Then it seems to me that if we're raising the threshold of when you end up paying penalty and interest, there's going to be some lost income to the state.

Jill Weigel: It's a matter of timing. It's somewhere in the neighborhood of 0-2000 taxpayers could be affected.

Senator Christmann: Does this have to do with penalties in interest or just paying your taxes ahead of time?

Jill Weigel: Making the payment ahead of time.

Page 2
Senate Finance and Taxation Committee
Bill/Resolution Number 1078
Hearing Date 2/28/01

Discussion of fiscal impact.

COMMITTEE ACTION:

Motion made by Senator Christmann for a DO PASS, Seconded by Senator Wardner.

Vote was 6 yeas, 0 nays, 0 absent and not voting. Bill carrier was Senator Wardner.

Date: 2/28/01
Roll Call Vote #:

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1078

Senate Finance and Taxation Committee

Subcommittee of _____

or

Conference Committee

Legislative Council Amendment Number _____

Action Taken No Pass

Motion Made By Christmann Seconded By Wardner

Senators	Yes	No	Senators	Yes	No
Senator Urlacher-Chairman	✓				
Senator Wardner-Vice Chairman	✓				
Senator Christmann	✓				
Senator Stenejem	✓				
Senator Kroepflin	✓				
Senator Nichols	✓				

Total (Yes) 6 No 0

Absent 0

Floor Assignment Wardner

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

REPORT OF STANDING COMMITTEE (410)
February 28, 2001 11:54 a.m.

Module No: SR-34-4434
Carrier: Wardner
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

**HB 1078: Finance and Taxation Committee (Sen. Urlacher, Chairman) recommends DO
PASS (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1078 was placed on the
Fourteenth order on the calendar.**

2001 TESTIMONY

HB 1078

Testimony before the House Finance and Tax Committee
House Bill 1078
January 15, 2001

Prepared by Jill Weigel, Individual Income Tax Supervisor
North Dakota Office of State Tax Commissioner

Mr. Chairman, members of the House Finance and Tax Committee:

My name is Jill Weigel, and I am here representing the North Dakota Office of State Tax Commissioner. House Bill 1078 pertains to an individual, estate or trust's requirement to make quarterly payments of estimated state income tax.

Current law provides that an individual, estate or trust is required to make quarterly state estimated tax payments if all 4 conditions are met:

- 1) There is a federal requirement to make estimated tax payments.
- 2) The prior year's state net tax liability was \$200 or more.
- 3) It is expected that the current year's state tax liability (after subtracting the ND income tax withholding) will be \$200 or more.
- 4) The current year's income tax withholding is expected to be less than the smaller of either:
 - a) 90% of the current year's net tax liability, or
 - b) 100% of the prior year's net tax liability.

This bill proposes to raise the threshold on the net state tax liability under conditions #2 and #3 from \$200 to \$500. The Tax Commissioner is proposing this change for several reasons:

- 1) The \$200 threshold was created when the federal threshold was at \$500 to make estimated payments. The federal threshold has since been raised to \$1000, so it is recommended the state threshold also be adjusted.
- 2) It will relieve those taxpayers having less than \$500 in tax due from being subject to the interest provisions for failing to make state estimates.
- 3) It will reduce paper, postage, and processing costs.

The Tax Commissioner requests your favorable consideration of this bill. If the committee has any questions, Mr. Chairman, I'd be happy to address them at this time.

Testimony before the Senate Finance and Tax Committee
House Bill 1078

February 28, 2001

Prepared by Jill Weigel, Individual Income Tax Supervisor
North Dakota Office of State Tax Commissioner

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