

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

2363

2007 SENATE FINANCE AND TAXATION

SB 2363

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. **SB 2363**

Senate Finance and Taxation Committee

Check here for Conference Committee

Hearing Date: February 12, 2007

Recorder Job Number: # 3380

Committee Clerk Signature

Sharon Enjrow

Minutes:

Sen. Urlacher called the committee to order and opened the hearing on SB 2363.

Sen. Horne: the prime sponsor of the bill appeared in support with written testimony and handouts. (See attached)

Mike Hannaher: Director of Development of F-M Foundation appeared in support with written testimony. (See attached)

Caitlin McDonald: YMCA's of ND appeared in support with written testimony. (See attached)

Kevin Dvorak: Pres. Of the ND Community Foundation appeared in support stating the concept behind the startup of the ND Community Foundation was to capture some of the money that was leading ND in a number of ways. Talking about the transfer of wealth and the unfortunate circumstance of 75 to 80% of that transfer needing to stay in ND. The foundation is a more charitable vehicle that can capture some of that money and put it back to work in ND to make ND a better place. This will encourage that even further.

Steve Schons: the Village Family Service Center appeared in support with written testimony. (See attached)

Ken Kitzman: President of Minot Area Community Foundation appeared support with written testimony. (See attached)

No Opposition.

Mary Loftsgaard: Tax Dept. appeared to answer questions for the committee.

Sen. Cook: what keeps a non-profit from dismantling and dividing up the assets between the remaining members?

Mary: can't answer

Sen. Urlacher: what do the amendments do?

Mary: the biggest change is in the longer amendment 0201 is that this would now allow the credit to be acclaimed by the estates of trust, secondly the credit would not be carried forward, any unused credit would be carried forward for up to 3 years rather than 2.

Mary Loftsgaard: Sen. Horne, your intent was to limit the credit for propriations, as the bill was originally written it would have allowed the credit for any charitable contribution. If I understand the amendment you are now limiting that to endowment and planned gifts?

Sen. Horne: yes, this amendment would clean it up and make it uniform throughout limiting the tax credit ability of corporations so that it's giving to endowments and foundations only. Not to existing charity or on-going charitable organizations. But individuals would still be able to get cash credits by giving to qualified charitable organizations or planned gifts to foundations and endowments, so an individual would have an opportunity to do both.

Mary: we do have concerns about some of the language that appears to have been removed in amendment 0201. It makes it a returnable tax credit. We may have to take some of the language out to make it consistent.

Sen. Horne: agrees with Mary's suggestions.

Mike Hannaher: answer to Sen. Cook's question of what happens when a church or non-profit dissolves, a non-profit has to specifically say what happens when they dissolve and it has to direct it go to a similar organization of like charitable means. Churches often times

aren't incorporated .But I believe State statute requires that upon dissolution the assets be distributed to like ____ purposes. So I think it's governed by the State. I know in dissolving or merging a non-profit corporation with another non-profit organization, the attorney general is all over that.

Sen. Cook: so are you saying that if something like this articles of incorporation, that Secretary of State or somebody is going to be brought to his or her attention whenever there is amendments are being made to the Constitution?

Mike: the amendments to Articles and Corporation have to go through the Secretary of State's Office. And if there are articles that are going to dissolve it, I believe they refer it to the Attorney General's Office.

Speaking to the amendments: taking away the charitable deduction for businesses that give directly to non-profit makes sense to us because otherwise you wouldn't be promoting endowment. If you get businesses to make donations to endowment that's what the credit limit it to. It's really just giving businesses the same thing you gave individuals 2 yrs ago.

Sen. Oehlke: I'm surprised that businesses couldn't make contributions in the past. I will Move the amendments 0201 and 0202, seconded by Sen. Tollefson.

Sen. Triplett: clarification on amendments being moved.

Voice vote: 7-0-0, amendments carry

Sen. Tollefson made a Motion for **DO PASS as Amended**, seconded by Sen. Oehlke

Roll call vote: 7-0-0 Sen. Horne will carry the bill.

FISCAL NOTE
Requested by Legislative Council
03/15/2007

Amendment to: Reengrossed
SB 2363

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 2363 Second Engrossment with House Amendments modifies the existing income tax credit for planned gifts to nonprofit organizations, enabling the tax credit to be claimed by corporations and pass-through entities.

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.*

There is no information available on the extent to which corporations currently participate or will participate in planned gifting that will be subject to a tax credit under the provisions of this bill. The corporation income tax credit is limited to \$10,000 per tax year under the provisions of the bill.

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:	03/15/2007

FISCAL NOTE
 Requested by Legislative Council
 02/13/2007

Amendment to: SB 2363

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).*

Engr. SB 2363 modifies the existing income tax credit for planned gifts to nonprofit organizations, enabling the tax credit to be claimed by corporations and pass-through entities.

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.*

There is no information available on the extent to which corporations currently participate or will participate in planned gifting that will be subject to a tax credit under the provisions of this bill. The corporation income tax credit is limited to \$10,000 per tax year under the provisions of the bill.

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:	02/14/2007

FISCAL NOTE
Requested by Legislative Council
01/23/2007

Bill/Resolution No.: SB 2363

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 2363 modifies the existing income tax credit for planned gifts to nonprofit organizations, enabling the tax credit to be claimed by corporations and pass-through entities. The bill also allows a tax credit for corporations for charitable contributions.

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.*

There is no information available on the extent to which corporations currently participate or will participate in planned gifting or the extent of current charitable contributions or future contributions that will be subject to a tax credit under the provisions of this bill. The corporation income tax credit is limited to \$10,000 per tax year under the provisions of the bill.

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:	02/09/2007

January 29, 2007

PROPOSED AMENDMENTS TO SENATE BILL NO. 2363

Page 4, line 4, overstrike "taxpayer" and overstrike "taxes" and insert immediately thereafter "tax"

Page 4, line 7, overstrike "any" and after "~~Dakota~~" insert "a"

Page 4, line 8, overstrike "by"

Page 4, line 9, overstrike "a taxpayer", overstrike "from all sources", and after the second "a" insert "taxable"

Page 4, line 10, remove "for an individual"

Page 4, line 11, replace "persons" with "individuals" and overstrike "The credit allowed under this section may not exceed"

Page 4, overstrike lines 12 through 17

Page 4, remove lines 20 through 23

Page 4, line 24, remove "a." and replace "credit" with "tax credit against the tax imposed by section 57-38-30"

Page 4, line 27, remove "from all sources"

Page 4, line 28, remove "The credit allowed under this section may not exceed the"

Page 4, replace lines 29 through 31 with:

"4. An estate or trust is allowed a tax credit in an amount equal to forty percent of a charitable gift, or forty percent of the present value of the aggregate amount of the charitable gift portion of planned gifts, made to a qualified nonprofit organization or qualified endowment. The maximum credit allowed under this subsection for contributions made in a taxable year is ten thousand dollars. The allowable credit must be apportioned to the estate or trust and to its beneficiaries on the basis of the income of the estate or trust allocable to each, and the beneficiaries are allowed to claim their share of the credit against the tax imposed by section 57-38-29, 57-38-30, or 57-38-30.3. A beneficiary must claim the credit in the beneficiary's taxable year in which the taxable year of the estate or trust ends. The provisions of subsections 6 and 7 apply to the estate or trust and its beneficiaries with respect to their respective shares of the apportioned credit."

Page 5, remove lines 1 through 6

Page 5, line 7, replace "4." with "5."

Page 5, line 16, after the underscored period insert "The partner, shareholder, or member must claim the credit in the partner's, shareholder's, or member's taxable year in which the taxable year of the partnership, subchapter S corporation, or limited liability company

ends. The provisions of subsections 6 and 7 apply to the partner, shareholder, or member.

6. The amount of the contribution upon which an allowable credit is computed must be added to federal taxable income in computing North Dakota taxable income in the taxable year in which the credit is first claimed, but only to the extent that the contribution reduced federal taxable income.
7. An unused credit may be carried forward for up to three taxable years.
8. If a contribution for which a credit was claimed is recovered by the taxpayer, an amount equal to the credit claimed in all taxable years must be added to the tax due on the income tax return filed for the taxable year in which the recovery occurs. For purposes of subsection 4, this subsection applies if the estate or trust recovers the contribution and the estate or trust and its beneficiaries are liable for the additional tax due with respect to their respective shares of the apportioned credit. For purposes of subsection 5, this subsection applies if the partnership, subchapter S corporation, or limited liability company recovers the contribution, and the partner, shareholder, or member is liable for the additional tax due."

Renumber accordingly

PROPOSED AMENDMENTS TO SENATE BILL NO. 2363

Page 4, line 24, replace the second "a" with "the present value of the aggregate amount of the"

Page 4, line 25, after "gift" insert "portion of planned gifts" and remove "qualified nonprofit organization or"

Page 5, line 8, remove "charitable"

Page 5, line 9, remove "gifts, or forty percent of"

Renumber accordingly

February 12, 2007

JFB
2-12-07
1 of 2

PROPOSED AMENDMENTS TO SENATE BILL NO. 2363

Page 4, line 4, overstrike "taxpayer" and overstrike "taxes" and insert immediately thereafter "tax"

Page 4, line 7, overstrike "any" and after "Dakota" insert "a"

Page 4, line 8, overstrike "by"

Page 4, line 9, overstrike "a taxpayer", overstrike "from all sources", and after the second "a" insert "taxable"

Page 4, line 10, replace "for an individual" with an underscored comma

Page 4, line 11, replace "persons" with "individuals"

Page 4, overstrike lines 13 through 17

Page 4, line 19, overstrike the period

Page 4, remove lines 20 through 23

Page 4, line 24, remove "a.", after the first "a" insert "tax", after "credit" insert "against the tax imposed by section 57-38-30", and replace the second "a" with "the present value of the aggregate amount of the"

Page 4, line 25, remove "charitable", after "gift" insert "portion of planned gifts", and remove "qualified nonprofit organization or"

Page 4, line 27, remove "from all sources"

Page 4, replace lines 30 and 31 with:

"4. An estate or trust is allowed a tax credit in an amount equal to forty percent of a charitable gift, or forty percent of the present value of the aggregate amount of the charitable gift portion of planned gifts, made to a qualified nonprofit organization or qualified endowment. The maximum credit allowed under this subsection for contributions made in a taxable year is ten thousand dollars. The allowable credit must be apportioned to the estate or trust and to its beneficiaries on the basis of the income of the estate or trust allocable to each, and the beneficiaries may claim their share of the credit against the tax imposed by section 57-38-29, 57-38-30, or 57-38-30.3. A beneficiary may claim the credit only in the beneficiary's taxable year in which the taxable year of the estate or trust ends. Subsections 6 and 7 apply to the estate or trust and its beneficiaries with respect to their respective shares of the apportioned credit."

Page 5, remove lines 1 through 6

Page 5, line 7, replace "4." with "5."

Page 5, line 8, remove "charitable"

Page 5, line 9, remove "gifts, or forty percent of"

2 of 2

Page 5, line 16, after the underscored period insert "The partner, shareholder, or member may claim the credit only in the partner's, shareholder's, or member's taxable year in which the taxable year of the partnership, subchapter S corporation, or limited liability company ends. Subsections 6 and 7 apply to the partner, shareholder, or member."

6. The amount of the contribution upon which an allowable credit is computed must be added to federal taxable income in computing North Dakota taxable income in the taxable year in which the credit is first claimed, but only to the extent that the contribution reduced federal taxable income.
7. An unused credit may be carried forward for up to three taxable years.
8. If a contribution for which a credit was claimed is recovered by the taxpayer, an amount equal to the credit claimed in all taxable years must be added to the tax due on the income tax return filed for the taxable year in which the recovery occurs. For purposes of subsection 4, this subsection applies if the estate or trust recovers the contribution and the estate or trust and its beneficiaries are liable for the additional tax due with respect to their respective shares of the apportioned credit. For purposes of subsection 5, this subsection applies if the partnership, subchapter S corporation, or limited liability company recovers the contribution, and the partner, shareholder, or member is liable for the additional tax due."

Renumber accordingly

Date: 2.12.07

Roll Call Vote #: 1

2007 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2363

Senate Finance & Tax Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass As Amended

Motion Made By Sen. Tollefson Seconded By Sen. Oehlke

Senators	Yes	No	Senators	Yes	No
Sen. Urlacher	✓		Sen. Anderson	✓	
Sen. Tollefson	✓		Sen. Horne	✓	
Sen. Cook	✓		Sen. Triplett	✓	
Sen. Oehlke	✓				

Total (Yes) 7 No 0

Absent 0

Floor Assignment Senator Horne

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

REPORT OF STANDING COMMITTEE

SB 2363: Finance and Taxation Committee (Sen. Urlacher, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2363 was placed on the Sixth order on the calendar.

Page 4, line 4, overstrike "taxpayer" and overstrike "taxes" and insert immediately thereafter "tax"

Page 4, line 7, overstrike "any" and after "~~Dakota~~" insert "a"

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Page 4, line 27, remove "from all sources"

Page 4, replace lines 30 and 31 with:

"4. An estate or trust is allowed a tax credit in an amount equal to forty percent of a charitable gift, or forty percent of the present value of the aggregate amount of the charitable gift portion of planned gifts, made to a qualified nonprofit organization or qualified endowment. The maximum credit allowed under this subsection for contributions made in a taxable year is ten thousand dollars. The allowable credit must be apportioned to the estate or trust and to its beneficiaries on the basis of the income of the estate or trust allocable to each, and the beneficiaries may claim their share of the credit against the tax imposed by section 57-38-29, 57-38-30, or 57-38-30.3. A beneficiary may claim the credit only in the beneficiary's taxable year in which the taxable year of the estate or trust ends. Subsections 6 and 7 apply to the estate or trust and its beneficiaries with respect to their respective shares of the apportioned credit."

Page 5, remove lines 1 through 6

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6. The amount of the contribution upon which an allowable credit is computed must be added to federal taxable income in computing North Dakota taxable income in the taxable year in which the credit is first claimed, but only to the extent that the contribution reduced federal taxable income.
7. An unused credit may be carried forward for up to three taxable years.
8. If a contribution for which a credit was claimed is recovered by the taxpayer, an amount equal to the credit claimed in all taxable years must be added to the tax due on the income tax return filed for the taxable year in which the recovery occurs. For purposes of subsection 4, this subsection applies if the estate or trust recovers the contribution and the estate or trust and its beneficiaries are liable for the additional tax due with respect to their respective shares of the apportioned credit. For purposes of subsection 5, this subsection applies if the partnership, subchapter S corporation, or limited liability company recovers the contribution, and the partner, shareholder, or member is liable for the additional tax due."

Renumber accordingly

2007 SENATE APPROPRIATIONS

SB 2363

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2363

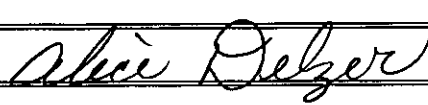
Senate Appropriations Committee

Check here for Conference Committee

Hearing Date: 02-14-07

Recorder Job Number: 3486

Committee Clerk Signature



Minutes:

Chairman Holmberg opened the hearing on SB 2363 at 10:00 am on February 14, 2007 regarding tax credit.

Senator Robert Horne, District 3, Minot Area gave oral testimony in support of SB 2363. He presented amendment #70534 .0301 for the committee to consider. This amendment was suggested by Mike Haniker, Director of Fargo Area Community Foundation. There was further discussion regarding trusts and endowments.

Senator Seymour had questions regarding the tax credit regarding donations. He was told that under the current law now your allowed 20% tax credit up to \$5,000.00 a year. This bill would increase that to 40%. It is to encourage more charitable giving.

Senator Mathern moved a **DO PASS THE AMENDMENT**, **Senator Krauter** seconded, motion carried.

Senator Robinson moved a **DO PASS AS AMENDED**, **Senator Tallackson** seconded.

Senator Holmberg asked if there was further discussion.

Senator Grindberg had questions regarding the fiscal note and business's involvement regarding the tax credit.

Senator Mathern commented about liking the bill because the money stays in North Dakota and it really supports the North Dakota Foundations.

Page 2

Senate Appropriations Committee

Bill/Resolution No. 2363

Hearing Date: 021-4-07

Senator Robinson expressed agreement with Senator Horne.

A roll call vote was taken resulting in 8 yeas, 5 nays, and 1 absent. The motion carried.

Senator Horne from Finance and Tax will carry the bill.

The hearing on SB 2363 was closed.

February 14, 2007

JEB
2-14-07

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2363

Page 4, line 21, replace "the present value of the aggregate amount" with "a charitable gift"

Page 4, line 22, remove "of the gift portion of planned gifts"

Page 4, line 27, remove ", or forty percent of the present value of the aggregate amount of the"

Page 4, line 28, remove "charitable gift portion of planned gifts, made" and remove "qualified nonprofit organization or"

Page 5, line 8, replace "the present" with "a"

Page 5, line 9, remove "value of the aggregate amount of the" and remove "portion of planned gifts, made"

Renumber accordingly

Date: 2/14/07
Roll Call Vote #:

2007 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2363

Senate Appropriations Committee

Check here for Conference Committee

Legislative Council Amendment Number 70534.0301

Action Taken Amended

Motion Made By Mathern Seconded By Krauter

Senators	Yes	No	Senators	Yes	No
Senator Ray Holmberg, Chrm			Senator Aaron Krauter		
Senator Bill Bowman, V Chrm			Senator Elroy N. Lindaas		
Senator Tony Grindberg, V Chrm			Senator Tim Mathern		
Senator Randel Christmann			Senator Larry J. Robinson		
Senator Tom Fischer			Senator Tom Seymour		
Senator Ralph L. Kilzer			Senator Harvey Tallackson		
Senator Karen K. Krebsbach					
Senator Rich Wardner					

Total (Yes) ✓ No _____

Absent _____

Floor Assignment Horne

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

Date: 2/14/07
Roll Call Vote #: 1

2007 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2363

Senate Appropriations Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken to pass as amended

Motion Made By Robinson Seconded By Tallackson

Senators	Yes	No	Senators	Yes	No
Senator Ray Holmberg, Chrm		✓	Senator Aaron Krauter	✓	
Senator Bill Bowman, V Chrm		✓	Senator Elroy N. Lindaas	✓	
Senator Tony Grindberg, V Chrm	✓		Senator Tim Mathern	✓	
Senator Randel Christmann			Senator Larry J. Robinson	✓	
Senator Tom Fischer		✓	Senator Tom Seymour	✓	
Senator Ralph L. Kitzer		✓	Senator Harvey Tallackson	✓	
Senator Karen K. Krebsbach		✓			
Senator Rich Wardner	✓				

Total (Yes) 8 No 5

Absent _____

Floor Assignment Sen Fin + Tax Home

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

REPORT OF STANDING COMMITTEE

SB 2363, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (8 YEAS, 5 NAYS, 1 ABSENT AND NOT VOTING). Engrossed SB 2363 was placed on the Sixth order on the calendar.

Page 4, line 21, replace "the present value of the aggregate amount" with "a charitable gift"

Page 4, line 22, remove "of the gift portion of planned gifts"

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Page 4, line 28, remove "charitable gift portion of planned gifts, made" and remove "qualified nonprofit organization or"

Page 5, line 8, replace "the present" with "a"

Page 5, line 9, remove "value of the aggregate amount of the" and remove "portion of planned gifts, made"

Renumber accordingly

2007 HOUSE FINANCE AND TAXATION

SB 2363

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2363 A

House Finance and Taxation Committee

Check here for Conference Committee

Hearing Date: January 28, 2007

Recorder Job Number: 4110

Committee Clerk Signature

Mickie Schmidt

Minutes:

Chairman Belter opened the hearing on SB 2363 and asked for testimony in support.

Sen. Robert Horne: (See Attachment #1)

I think it was this amount as a result of not being aware of the opportunities the law provides and it wasn't promoted like it should have been.

Of course North Dakota has a ND Community Fund, plus other community funds so that's what I'd like to see if the benefit will be seen.

I've attached two charts to my testimony to help illustrate this point.

Up to 75 % of estate checks are issued out of state and what that says is we're losing a lot of it's transfer of wealth to folks and heir's living in another state and the goal is to capture some of that and keep it here in ND.

Mike Hannaher, Director of Development of Fargo-Moorhead Area Foundation: (See Attachment #2)

Chairman Belter: You mentioned churches, but would churches qualify under this?

Mike Hannaher: If they are qualified public charities and they need the definition, I believe the definition of a qualified public charity is set forth in the proposed legislation does qualify. So not all churches are incorporated which is a reference to 501c 3's. There's also a reference in this

