

HOUSE BILL NO. 1449

Introduced by

Representative Sveen

1 A BILL for an Act to amend and reenact section 57-38-29 and subsection 2 of section
2 57-38-30.3 of the North Dakota Century Code, relating to rates for individual income taxes; to
3 provide an appropriation for foundation aid for school districts; and to provide an effective date.

4 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

5 **SECTION 1. AMENDMENT.** Section 57-38-29 of the North Dakota Century Code is
6 amended and reenacted as follows:

7 **57-38-29. Rate of tax on individuals.** A tax is hereby imposed upon every individual,
8 to be levied, collected, and paid annually with respect to the taxable income of such individual
9 as defined in this chapter, computed at the following rates:

- 10 1. On taxable income not in excess of three thousand dollars, a tax of ~~two~~ three and
11 ~~sixty-seven~~ twenty-four hundredths percent.
- 12 2. On taxable income in excess of three thousand dollars and not in excess of five
13 thousand dollars, a tax of four and eighty-six hundredths percent.
- 14 3. On taxable income in excess of five thousand dollars and not in excess of eight
15 thousand dollars, a tax of ~~five~~ six and ~~thirty-three~~ forty-seven hundredths percent.
- 16 4. On taxable income in excess of eight thousand dollars and not in excess of fifteen
17 thousand dollars, a tax of ~~six~~ eight and ~~sixty-seven~~ ten hundredths percent.
- 18 5. On taxable income in excess of fifteen thousand dollars and not in excess of
19 twenty-five thousand dollars, a tax of ~~eight~~ nine and seventy-one hundredths
20 percent.
- 21 6. On taxable income in excess of twenty-five thousand dollars and not in excess of
22 thirty-five thousand dollars, a tax of ~~nine~~ eleven and thirty-three hundredths
23 percent.

1 7. On taxable income in excess of thirty-five thousand dollars and not in excess of
2 fifty thousand dollars, a tax of ~~ten~~ twelve and ~~sixty-seven~~ ninety-six hundredths
3 percent.

4 8. On taxable income in excess of fifty thousand dollars, a tax of ~~twelve~~ fourteen and
5 fifty-seven hundredths percent.

6 **SECTION 2. AMENDMENT.** Subsection 2 of section 57-38-30.3 of the 1997

7 Supplement to the North Dakota Century Code is amended and reenacted as follows:

8 2. A tax is hereby imposed for each taxable year upon income earned or received in
9 that taxable year by every resident and nonresident individual, estate, and trust.

10 This tax is ~~fourteen~~ seventeen percent of the individual's, estate's, or trust's
11 adjusted federal income tax liability for the taxable year.

12 **SECTION 3. APPROPRIATION.** There is hereby appropriated out of any moneys in
13 the general fund in the state treasury, not otherwise appropriated, the sum of \$81,000,000, or
14 so much of the sum as may be necessary, to the department of public instruction for the
15 purpose of allocation of additional foundation aid grants to be allocated among school districts
16 in the same proportions as foundation aid grants are allocated under chapter 15-40.1, for the
17 biennium beginning July 1, 1999, and ending June 30, 2001. It is the intent of the legislative
18 assembly that school districts use the funds appropriated under this section to provide property
19 tax relief to taxpayers and that this appropriation is to increase state funding for elementary and
20 secondary education to bring the total closer to the sixty percent level.

21 **SECTION 4. EFFECTIVE DATE.** Sections 1 and 2 of this Act are effective for taxable
22 years beginning after December 31, 1998.