

February 11, 1999

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1108

Page 1, line 1, replace "three" with "five"

Page 1, line 3, remove the second "and"

Page 1, line 4, after "carriers" insert ", preservation of records, and resale certificates"

Page 1, line 8, remove "and" and after "application" insert "; to provide an effective date; and to provide an expiration date"

Page 2, line 17, replace "a reasonable time" with "six months"

Page 3, line 6, replace the second "of" with "or"

Page 3, after line 10, insert:

**"SECTION 4.** A new section to chapter 57-34 of the North Dakota Century Code is created and enacted as follows:

**Preservation of records.** Every telecommunications carrier required to make a return and pay any tax under this chapter shall preserve records of the gross proceeds of sale as the commissioner may require and every carrier shall preserve for a period of three years and three months all invoices and other records of telecommunications services purchased for resale. All of these books, invoices, and other records must be open to examination at any time by the commissioner or any duly authorized agent of the commissioner.

**SECTION 5.** A new section to chapter 57-34 of the North Dakota Century Code is created and enacted as follows:

**Resale certificates.** A telecommunications carrier who receives a resale certificate certifying that another telecommunications carrier holds a North Dakota sales and use tax permit for sales or use tax purposes under section 57-39.2-14 is relieved from submitting the telecommunications gross receipts tax upon the sale of telecommunications services to be resold by the telecommunications carrier submitting the certificate. When a telecommunications carrier submits a false resale certificate to another telecommunications carrier, the telecommunications carrier that submitted the certificate is liable for the telecommunications gross receipts tax on the sale. A hospital, hotel, motel, or similar place of temporary accommodation selling telecommunications service to its patients or guests is not a telecommunications carrier under this section."

Page 3, line 18, remove the overstrike over "~~and~~" and replace the underscored comma with "less"

Page 3, line 20, replace ", and amounts paid to another telecommunications carrier for" with an underscored period

Page 3, remove lines 21 and 22

Page 3, line 26, after "carrier" insert "retail"

Page 4, line 16, overstrike "A hospital, hotel, motel, or similar place of temporary accommodation selling"

Page 4, overstrike line 17

Page 4, line 18, overstrike "stated charge for the service" and insert immediately thereafter "Internet access service or similar service"

Page 5, line 6, replace "inter-company" with "intercarrier"

Page 5, line 9, replace "company" with "telecommunications carrier"

Page 5, line 10, replace "inter-company" with "intercarrier"

Page 6, line 23, after "carrier's" insert "retail"

Page 8, line 23, replace "notice" with "indexing"

Page 8, line 25, replace "notice" with "indexing"

Page 9, line 6, replace "notice" with "indexing"

Page 9, line 7, after "**ACT**" insert "**- EFFECTIVE DATE - EXPIRATION DATE**"

Page 9, line 8, after the period insert "The amendments of subsections 1 and 3 of section 57-34-01 as amended by section 6 of this Act are effective for taxable years beginning after December 31, 1998. The amendments to subsections 1 through 3 of section 57-34-02 as amended by section 7 of this Act are effective for the first two taxable years beginning after December 31, 1999, and are thereafter ineffective."

Renumber accordingly