

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

2053

2001 SENATE FINANCE AND TAXATION

SB 2053

2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 2053

Senate Finance and Taxation Committee

Conference Committee

Hearing Date 1/16/01

Tape Number	Side A	Side B	Meter #
1	x		0-32.8
1/24/01 - 2	x		36-end
		x	1-2.2
Committee Clerk Signature <i>Synelle N. Kraft</i>			

Minutes:

Senator Urlacher: Open the hearing on SB 2053, relating to deposit of taxes and fees from beer and liquor wholesalers in the state general fund.

Senator Solberg: Sponsor of the bill, wants to begin the process of trying to streamline ND government. It only seems right that we put taxation in the taxation department. It's only common sense that we move the taxing authority that the state treasurer's office has into the state tax department. Straightforward bill to save a few dollars. Explains through meter #4.6

Senator Kroeplin: This bill deals strictly with wholesale?

Senator Solberg: No, it deal with wholesale, manufacturing, and some retail.

Senator Kroeplin: We tax retail liquor also, don't we? Who collects that?

Senator Solberg: I believe the retail end of it is collected by the tax department. Each retailer has to have a sales tax license.

Senator Kroeplin: It's the tax dept. that enforces retail?

Page 2

Senate Finance and Taxation Committee

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Senator Solberg: To the best of my knowledge.

Senator Christmann: This doesn't change any tax rates or eliminate any taxes, correct?

Senator Solberg: No, it changes who collects the tax.

Kathi Gilmore: State Treasurer, testifies in opposition. Taxes already flow smoothly. I have cross-trained employees and the alcohol beverage clerk performs other duties. Removal of the division from my office places a great burden on my entire staff. The people of ND have twice said that they want the office of the State Treasurer to remain in tact and functioning. Yet bills continue to arise that widdle away at the duties we perform.

Senator Christmann: Was the explanation correct that sales tax is collected on retail sales through the tax dept.?

Kathi Gilmore: Retail is handled through the Attorney General's Office.

Rick Clayburgh: Clarifies who collects what.

Kathi Gilmore: Explains how it is an intricate part of dept. and the positions in the dept. Meter number 10.1-11.3.

Senator Nichols: Regarding the fiscal note, if the tax dept. would have to increase their spending by \$20,000, would you be able to save over \$20,000 if these duties were transferred. Wouldn't we save some money?

Kathi Gilmore: No.

Senator Stenehjem: How many authorizes FTE's you have?

Kathi Gilmore: Six plus me.

Senator Stenehjem: Are you fully staffed? Any vacancies?

Kathi Gilmore: I am fully staffed.

Senator Urlacher: Asks for the State Commissioner to explain how this blends into the tax dept.

Rick Clayburgh: Explains how they would take over the duties, the costs, and the customer service. Meter number 13.2-16.6.

Senator Stenehjem: Do you feel confident to handle these duties? Can your department handle it? Are we up to date on reports?

Rick Clayburgh: We believe that we can take over this administration of the tax without any detriment to industry or the taxpayers. We would work to establish an electronic filing system that would provide a less burdensome administration.

Senator Kroeplin: Are your positions filled? How many people work in the tax dept.?

Rick Clayburgh: Explains FTE's and open positions. Meter number 19.8-21.4.

Senator Kroeplin: If this were to become law, you could do this with the staff you have?

Rick Clayburgh: Yes.

Senator Wardner: The different duties wouldn't be a problem for you staff?

Rick Clayburgh: No.

Senator Kroeplin, Senator Stenehjem, and Rick Clayburgh discuss the positions that perform the duties in the Treasurer's Office and who will perform them in the Tax Dept. Meter number 24.2-27.1.

Senator Kroeplin: There's more than just the whole sale of liquor in the bill?

Rick Clayburgh: Explains components of bill and what the tax dept. collects. Meter number 27.9-30.7.

Senator Kroeplin: Are there any other taxes not collected by the Tax Dept.?

Rick Clayburgh: We do not administer the Insurance premium, Worker's Comp., Gaming Tax, Job Service Unemployment, basically four taxes.

Senator Urlacher: Closed the hearing. Action delayed.

Page 4
Senate Finance and Taxation Committee
Bill/Resolution Number 2053
Hearing Date 1/16/01

Discussion held 1/23/01. Meter number 36-end, side A & 1-2.2, side B.

COMMITTEE ACTION: 1/23/01

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

Vote was 4 yeas, 2 nays, 0 absent or not voting. Bill carrier was Senator Wardner.

FISCAL NOTE
 Requested by Legislative Council
 01/15/2001

REVISION

Bill/Resolution No.: SB 2053

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			\$20,000			

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.*

SB 2053 expands the duties of the Tax Commissioner, but doesn't change any taxes or fees.

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.*

The Tax Department estimates additional administrative expenses of \$20,000 will be

incurred during the 01-03 biennium.

Name:	Kathryn L. Strombeck	Agency:	Tax Department
Phone Number:	328-3402	Date Prepared:	01/18/2001

FISCAL NOTE

Requested by Legislative Council
12/14/2000

Bill/Resolution No.: SB 2053

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Appropriations			\$30,000			

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The Tax Department estimates additional administrative expenses of \$30,000 will be incurred during the 01-03 biennium.

Name:	Kathryn L. Strombeck	Agency:	Tax Department
Phone Number:	328-3402	Date Prepared:	01/15/2001

