

2021 HOUSE FINANCE AND TAXATION

HB 1497

2021 HOUSE STANDING COMMITTEE MINUTES

Finance and Taxation Committee Room JW327E, State Capitol

HB 1497
2/2/2021
AM

A bill relating to an income tax credit for charitable contributions to a qualified endowment or a qualified nonprofit organization.

Chairman Headland opened the hearing at 11:24 am.

Representatives	Present
Representative Craig Headland	Y
Representative Vicky Steiner	Y
Representative Dick Anderson	Y
Representative Glenn Bosch	Y
Representative Jason Dockter	Y
Representative Sebastian Ertelt	Y
Representative Jay Fisher	Y
Representative Patrick Hatlestad	Y
Representative Zachary Ista	Y
Representative Tom Kading	Y
Representative Ben Koppelman	Y
Representative Marvin E. Nelson	Y
Representative Nathan Toman	Y
Representative Wayne A. Trottier	Y

Discussion Topics:

- Individual income tax credit expansion
- Charitable gifts for qualified North Dakota endowment funds
- Charitable gifts for qualified nonprofit organizations

Representative Ertelt introduced bill (#4919 and 4928).

Patrick Kirby testified in support (#4793).

Kirsten Dvorak, Executive Director for the Arc of North Dakota, testified in support (#4713).

Kevin Dvorak, President and CEO of the North Dakota Community Foundation, testified in opposition (#4955).

Additional written testimony:

Nyamal Dei, Founder/Executive Director for Kondial Kel International, testimony in support (#4806).

Rachel Hafner, Executive Director for The Arc Upper Valley, testimony in support (#4805).

Michelle Erickson, Domestic Violence/Sexual Assault Crisis Agency with the Abused Adult Resource Center, testimony in support (#4694).

Tara Muhlhauser, Executive Director for CAWS North Dakota, testimony in support (#4617).

Mark Jorritsma, Executive Director for Family Policy Alliance of North Dakota, testimony in support (#4317).

Chairman Headland closed the hearing at 11:52am.

Mary Brucker, Committee Clerk



NORTH DAKOTA HOUSE OF REPRESENTATIVES

STATE CAPITOL
600 EAST BOULEVARD
BISMARCK, ND 58505-0360



Representative Sebastian Ertelt

District 26
906 Ash Street
Lisbon, ND 58054-4316
sertelt@nd.gov

COMMITTEES:

Finance and Taxation
Political Subdivisions

February 2, 2021

Chairman Headland and Members of the House Finance and Taxation Committee,

I bring to you today, House Bill 1497, and urge a unanimous DO PASS recommendation.

House Bill 1497 would expand the existing individual income tax credit for charitable gifts to qualified North Dakota endowment funds to also include charitable gifts to qualified nonprofit organizations that have been incorporated or established in North Dakota for at least two years. I must acknowledge that this idea is not my own. In the 66th Legislative Assembly and in this Committee, we considered House Bill 1233, introduced by Representative Roers Jones. House Bill 1497 is slightly different in that it removes the charitable gift threshold, whereas House Bill 1233 reduced the aggregate threshold from five thousand to five hundred dollars.

The current income tax credit is basically a tax break for the wealthy. House Bill 1497 would level the playing field so that all North Dakota income taxpayers can claim the credit while remaining limited to their individual income tax liability.

This bill would undoubtedly result in a substantial reduction in state general fund revenue as the fiscal note describes. However, what the fiscal note does not take into account is that charitable gifts to qualified endowment funds, or directly to qualified nonprofit organizations, reduces the need for state general fund expenditures since the state provides services that nonprofit organizations would otherwise provide.

Charity is exercised by individuals, not government. The former gives freely, while the latter takes with force. Government robs the individual of the grace attached to the charitable giving that they would otherwise do if they were not taxed as much. Let's remove the bureaucracy inherent in government welfare programs and empower the people of our state to do even more good.

For background, a qualified endowment fund is a permanent, irrevocable fund that meets all of the following criteria:

1. It is held by a qualified nonprofit organization or by a bank or trust company on behalf of a qualified nonprofit organization.
2. It is comprised of cash, securities, mutual funds, or other investment assets.
3. It is established for a specific religious, educational, or other charitable purpose.
4. It may expend only the income generated by, or the increase in value of, the assets contributed to it.

A qualified nonprofit organization is one that meets either of the following sets of criteria:

For a North Dakota-based organization:

1. Is incorporated in North Dakota, or has an established location in North Dakota;
2. Is tax-exempt under I.R.C. § 501(c); and
3. Is a charitable donee organization as defined under I.R.C. § 170.

For a border state organization:

1. Is tax-exempt under I.R.C. § 501(c);
2. Is a charitable donee organization as defined under I.R.C. § 170;
3. Supports or benefits a hospital, nursing home, or medical center, or any combination of these;
4. Is located outside North Dakota; and
5. Is located within five miles of a North Dakota city with a population of 5,000 or more that does not have a hospital.



PLANNED GIFT TAX CREDIT
 OFFICE OF STATE TAX COMMISSIONER
 SFN 28705 (12-2020)



Schedule ND-1PG

2020

Attach to Form ND-1

Name(s) Shown On Return	Your Social Security Number
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► If you are only carrying over an unused credit from 2017, 2018, or 2019, skip lines 1 through 7, and go to line 8.

North Dakota qualified nonprofit organization

Name Of Qualified Nonprofit Organization			Border State Org. <input type="radio"/>	Name Of Administering Entity, If Applicable		
Address			<input type="radio"/>	Address		
City	State	ZIP Code		City	State	ZIP Code

Qualified planned gift

1. Planned gift was given to: ☐ Qualified nonprofit organization
☐ Qualified endowment fund. Enter name of fund ► _____
2. Identify the method used to make the planned gift. See the instructions for the eligibility criteria. *(Fill in the applicable circle)*

<input type="radio"/> Charitable remainder unitrust	<input type="radio"/> Charitable gift annuity	<input type="radio"/> Deferred charitable gift annuity
<input type="radio"/> Charitable remainder annuity trust	<input type="radio"/> Charitable lead unitrust	<input type="radio"/> Charitable life estate
<input type="radio"/> Pooled income fund trust	<input type="radio"/> Charitable lead annuity trust	<input type="radio"/> Paid-up life insurance policy
3. Date on which qualified planned gift was completed ----- 3 _____
(MM/DD/YYYY)

► Attach a letter from the qualified nonprofit organization indicating its I.R.C. § 501(c) status, the planned gift method used, the date and amount of the planned gift, and, if applicable, the name of the qualified endowment fund.

Calculation of credit

4. Charitable contribution portion of planned gifts completed in 2020 tax year ----- 4 _____
5. If married filing jointly, enter \$50,000; otherwise, enter \$25,000 ----- 5 _____
6. Amount of contribution eligible for credit. Enter smaller of line 4 or line 5 ----- 6 _____
7. 2020 credit. Multiply line 6 by 40% (.40) ----- 7 _____
8. Unused credit carryover, if any, from prior tax year(s) ----- 8 _____
9. Total available credit. Add lines 7 and 8 ----- 9 _____
10. Amount of line 9 used to reduce tax in 2020. See instructions. Enter this amount on
 Schedule ND-1TC, line 5 ----- 10 _____
11. Unused credit carryover to 2021 ----- 11 _____

Adjustment to North Dakota taxable income

- If you claimed the standard deduction on your 2020 Form 1040 or 1040-SR, line 12, do not complete lines 12 through 15.
- If you claimed itemized deductions on your 2020 Form 1040 or 1040-SR, line 12, complete lines 12 through 15. However, if there's an amount on line 7 of this schedule and you are also claiming an endowment fund credit on Schedule ND-1QEC, line 5, or from a North Dakota Schedule K-1, do not complete lines 12 through 15; instead, see the instructions for Form ND-1, line 4.
12. Did you deduct the contribution (on line 4 of this schedule) as a charitable contribution on Schedule A (Form 1040 or 1040-SR)?
☐ **No.** Stop here; no adjustment is required based on your 2020 contribution.
☐ **Yes.** Enter the amount from Schedule A (Form 1040 or 1040-SR), line 17 ----- 12 _____
 13. Enter the **federal standard deduction** that you would have been allowed on your 2020 Form 1040 or 1040-SR, line 12, had you not itemized deductions on Schedule A (Form 1040 or 1040-SR) - see instructions ----- 13 _____
 14. Subtract line 13 from line 12. If result is less than zero, enter -0- ----- 14 _____
 15. Enter the smaller of line 6, line 14, or the portion of the amount on line 4 of this schedule allowed as a deduction on your Schedule A (Form 1040 or 1040-SR). Enter this amount on Form ND-1, line 4 ----- 15 _____

General instructions

An individual is allowed an income tax credit for making a qualified planned gift to a qualified nonprofit organization or a qualified endowment fund. *See the instructions to line 2 for what is a qualified planned gift.*

The credit must be claimed first in the tax year in which the planned gift is made. The unused portion of a credit for a planned gift made in the 2020 tax year may be carried forward for up to three tax years.

Qualified nonprofit organization. A qualified nonprofit organization means an organization that meets either of the following sets of criteria:

- **North Dakota-based organization.**
An organization is a qualified nonprofit organization if it:
 1. Is incorporated in North Dakota, or has an established location in North Dakota;
 2. Is tax-exempt under I.R.C. § 501(c); and
 3. Is a charitable donee organization as defined under I.R.C. § 170.
- **Border state organization.** An organization is a qualified nonprofit organization if it:
 1. Is tax-exempt under I.R.C. § 501(c);
 2. Is a charitable donee organization as defined under I.R.C. § 170.
 3. Supports or benefits a hospital, nursing home, or medical center, or any combination of these;
 4. Is located outside North Dakota; and
 5. Is located within five miles of a North Dakota city with a population of 5,000 or more that does not have a hospital.

Qualified endowment fund. A qualified endowment fund means a permanent, irrevocable fund that meets all of the following:

1. It is held by a qualified nonprofit organization (*defined above*) or by a bank or trust company on behalf of a qualified nonprofit organization.
2. It is comprised of cash, securities, mutual funds, or other investment assets.
3. It is established for a specific religious, educational, or other charitable purpose.
4. It may expend only the income generated by, or the increase in value of, the assets contributed to it.

Specific line instructions

North Dakota qualified nonprofit organization

Enter the name and address of the North Dakota qualified nonprofit organization. This applies regardless of whether the planned gift was made to the qualified nonprofit organization itself or to a qualified endowment fund held by the qualified nonprofit organization. If a bank, trust company, or other entity holds and administers the planned gift assets or qualified endowment fund on behalf of the qualified nonprofit organization, also enter the name and address of that entity.

If the qualified nonprofit organization is a border state organization, fill in the circle next to the organization's name.

Line 2

Fill in the circle next to the type of qualified planned gift on which the tax credit is based. To qualify for the credit, the qualified planned gift must consist of an irrevocable charitable contribution that was made using one of the following gifting methods:

Charitable remainder unitrust—To qualify, both of the following must apply:

1. The trust must be a trust defined under I.R.C. § 664(d)(2).
2. The trust agreement must contain a provision stating that the trust may not terminate and that the beneficiary's interest in the trust may not be given to the qualified nonprofit organization or qualified endowment fund before the earlier of (a) the date of death of the beneficiary or (b) the date that is five years after the date of the contribution.

Charitable remainder annuity trust—To qualify, both of the following must be met:

1. The trust must be a trust defined under I.R.C. § 664(d)(1).
2. The trust agreement must contain a provision stating that the trust may not terminate and that the beneficiary's interest in the trust may not be given to the qualified nonprofit organization or qualified endowment fund before the earlier of (a) the date of death of the beneficiary or (b) the date that is five years after the date of the contribution.

Pooled income fund—To qualify, the trust must be a trust defined under I.R.C. § 642(c)(5).

Charitable gift annuity—To qualify, both of the following must be met:

1. The annuity must be a qualified charitable gift annuity as defined for federal income tax purposes.
2. The annuity contract must contain a provision that states the annuitant's interest in the gift annuity may not be assigned to the qualified nonprofit organization or qualified endowment fund before the earlier of (a) the date of death of the annuitant or (b) the date that is five years after the date of the contribution.

Charitable lead unitrust—To qualify, the arrangement must satisfy the requirements of I.R.C. § 170(f)(2)(B).

Charitable lead annuity trust—To qualify, the arrangement must satisfy the requirements of I.R.C. § 170(f)(2)(B).

Deferred charitable gift annuity—To qualify, all of the following must be met:

1. The annuity must be a qualified charitable gift annuity as defined for federal income tax purposes.
2. The annuity contract must contain a provision that requires the payment of the annuity to begin within the life expectancy of the annuitant or, if more than one annuitant, the joint life expectancies of the annuitants using the actuarial tables applicable to determining the federal charitable income tax deduction on the date of the contribution.
3. The annuity contract must contain a provision that states the annuitant's interest in the gift annuity may not be assigned to the qualified nonprofit organization or qualified endowment fund before the earlier of (a) the date of death of the annuitant or (b) the date that is five years after the date of the contribution.

Charitable life estate agreement—To qualify, the agreement must satisfy the requirements of I.R.C. § 170(f)(3)(B).

Paid-up life insurance policy—To qualify, both of the following must be met:

1. The policy must be a paid-up policy, i.e., all premiums for the policy have been paid, with no more premiums due in the future.
2. The gift of the policy qualifies as a charitable contribution under I.R.C. § 170.

Line 4

Enter the portion of all qualified planned gifts completed in 2020 for which a charitable contribution deduction is allowed in 2020 for federal income tax purposes.

Line 8

Enter the allowable portion of an unused planned gift credit, if any, based on gifts made in the 2017 through 2019 tax years that is being carried over to the 2020 tax year.

Line 10

Enter on this line only that portion of the available credit on line 9 that is used to reduce the 2020 tax liability. For example, if the available credit on line 9 is \$1,000, but only \$400 is needed to reduce the tax liability to zero, enter \$400 on line 10.

Line 11

Enter the portion of an unused planned gift credit, if any, based on gifts made in the 2018 through 2020 tax years that is being carried over to the 2021 tax year.

Line 13

To determine the amount of the federal standard deduction to enter on this line, see the instructions to the 2020 Form 1040 or 1040-SR, line 12.

Testimony
House Bill 1497 – Patrick Kirby, Resident of West Fargo, ND
House Finance and Taxation Committee
Representative Craig Headland, Chairman

Chairman Headland, and members of the House Finance and Taxation Committee, my name is Patrick Kirby of West Fargo, District 13 and I am here in support of House Bill 1497, which was introduced by Rep. Sebastian Ertelt.

I am a small business owner that works with nonprofits from all over the state of North Dakota helping them with fundraising. I am not here to represent a specific nonprofit organization, and I am currently not on any boards of any nonprofits. However, I have traveled here to testify on behalf of HB1497 because I believe that this bill will significantly increase the ability of nonprofits to serve their communities and encourage more high capacity individuals to support and donate to organizations that make an incredible and positive impact across the state.

As every one of you are keenly aware, finding new funding sources and diversifying revenue - whether you are a business, a government agency or a nonprofit – is becoming increasingly more important. Additionally, the need to fund programs, and services immediately, instead of saving for a rainy day, is critical. In fact, for nonprofits everywhere, COVID-19 has them caught in Monsoon season.

From the perspective of someone who works with small and medium sized nonprofits every day, I see this benefiting organizations in three specific ways:

1. HB1497 allows ALL organizations to offer this credit to high capacity donors. Nonprofits who need large gifts, can now have the same arrows in their fundraising quivers as large institutions have, and can attract individuals who can help in a large way to the small and medium sized organizations.
2. HB1497 gives donors CHOICE. It is not about an organization's need to have, but is about a donor's want/desire to give. If a high capacity donor wants to give and receive a tax credit, they are ONLY able to choose between a handful of funds. There are nearly 5,000 nonprofits in North Dakota, and donors should be able to pick which ones they want to support, not be restricted on where they give to still qualify for this tax credit.
3. HB1497 allows for funding immediately. Donations in perpetuity have their place, but unless you have a MASSIVE endowment already, large gifts should be able to make immediate impact, not just distributed over many years. This tweak in the current law would allow for high capacity donors to be able to give and see their gift make the community a better place right away while enjoying this amazing tax benefit!

Now, as the HB1497 is written currently, I'm sure it has a staggering fiscal note attached to it. But what if, instead of all donations of all sizes, we just tweaked the bill to allow these gifts of \$5,000 and above – the way the tax credit defines it today – but allow those gifts to qualify if given to ANY nonprofit. I think that is something that everyone can cheer for, and everyone can benefit from, and everyone can say would be fair and equitable to donors AND nonprofits.

We are extremely fortunate to have a legislature that in 2011, passed subsection 2 of section 57-38-01.21 of the North Dakota Century Code that created a 40% tax credit to individuals who invested \$5,000 or more to qualified endowments. I have worked with organizations who have greatly benefited from this bill and community foundations who hail this benefit as one of the best and exciting ways for donors to help leave legacies and impacts for years to come.

However, these are the ONLY organizations that benefit from tax credit as it stands now. If you are a small or medium sized nonprofit without the luxury of 7 or 8 staff members dedicated to fundraising, but are an all-volunteer or one-person organization without an endowment, you are out of luck. These small nonprofits make up the lion share of organizations doing the things the government can't, shouldn't or won't do.

House Bill 1497 can level the donor solicitation playing field when attracting high capacity donors. And that, I think, is a wonderful thing.

This proposed bill also encourages organizations to increase engagement with their donors, volunteers, members and communities to ask them to give more generously and take advantage of this tax benefit. Donors of any capacity would be moved to stretch their gifts further than they have in the past. Organizations would be moved to develop deeper relationships and have more critical conversations with more donors by adding this additional fundraising talking point to their solicitation repertoire.

House Bill 1497 better aligns a public giving policy with North Dakota values, and encourages the philanthropic activity of all its citizens.

I enthusiastically support this, and hope, on behalf of smaller nonprofits everywhere, that this committee will too.

This concludes my testimony, and I would be happy to answer any questions you might have!



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Testimony House Bill 1497
House Finance and Tax
January 27, 2021

Chairman Headland and members of the Committee, my name is Kirsten Dvorak. I am the executive director of The Arc of North Dakota, which includes all six Arc chapters in North Dakota: Bismarck, Bowman, Dickinson, Fargo, Grand Forks, and Valley City. Our mission is to improve people's quality of life with intellectual and developmental disabilities and actively support their full inclusion and community participation.

The Arc of North Dakota and its six chapters are a private non-profit 501(C)3 advocacy organizations formed over sixty years ago. Initially founded by a small group of parents and stakeholders, The Arcs' has offered various services and supports over the years, always morphing to meet the current needs of individuals with disabilities and their families. The chapters around the state are dedicated to improving community support and services, influencing public policy at all levels, providing education and training for advocates, self-advocates, and parents, and achieving full inclusion of people with disabilities in all aspects of life.

Most of the chapters' activities are supported through donations and contribute to positive changes for individuals with disabilities. Bill 1497 would open the doors for our supporters to make a sizable donation to the chapter of their choice and still receive the tax credit. Money that can be used as unrestricted funds to support our mission and could be used now. Money that is used to employ individuals with disabilities, sell individuals works of art for a commission, and promote health and wellness during the pandemic.

Grants can take up to 5 months; to be notified if your application was approved. Small non-profits shouldn't have to out promote other non-profits to receive donations. Why should our supporters not be able to make a sizable donation to their chapter of choice and support what is important to them and not decided by someone else?

We ask for a due pass on HB Bill 1497



Kevin J. Dvorak, President & CEO

701-222-8349 kdvorak@ndcf.net www.ndcf.net

Testimony – HB 1497 – February 2, 2021

Taxation and Finance Committee

Chairman Headland and members of the Committee-I am Kevin Dvorak President and CEO of the North Dakota Community Foundation. I am here to testify in opposition to HB 1497. Thank you for your interest in the nonprofit sector. I wanted to let you know that the North Dakota Community Foundation is opposed to HB 1497 for the reasons stated below, but we sincerely appreciate this attempt to increase giving in North Dakota. After you have heard our reasoning, please feel free to contact me if you would like further explanation or have questions. Again, we sincerely appreciate this attempt to help the nonprofit sector and donors, but feel that this particular bill is flawed in many ways...

The North Dakota Community Foundation is opposed to HB 1497 as it amends a law that was produced and vetted by the entire nonprofit sector. As near as we have been able to determine, HB 1497 was submitted/written without any input from the greater sector including the North Dakota Association on Nonprofit Organizations (NDANO) which was the lead agency that worked to craft and pass existing law. I sit on the NDANO Public Policy Committee and we heard nothing of HB 1497 until after it was introduced.

While the concept of an additional incentive to encourage annual giving to smaller nonprofits is a worthy concept, this bill as written does not motivate donors to give more to their favorite local charity. The Bill contains no minimum in order for a donor to receive the credit which means that someone who gives \$10 to their church in the weekly collection basket would be able to receive the credit without "stretching" their giving or giving to any other charity.

This amendment to existing law removes the incentive for donors to give more (which was the entire concept behind the original) and does not encourage larger gifts to permanent endowment funds in ND. It just provides a tax break for the status quo. It will, in fact, have a negative impact by encouraging ND residents to give less and still receive the tax credit. This is not good policy.

The existing law has been hugely successful in capturing long-term endowment assets for North Dakota nonprofits to succeed and to serve the needs of their mission right here in our state. If there is interest in crafting an incentive for smaller donors to increase their support of annual giving to ND nonprofits, it should be addressed in a separate bill that does not touch the existing endowment and planned giving tax credit. It should "stand on its own" as a separate part of the law. It should also be crafted and vetted with the entire sector through a similar

process utilizing NDANO's membership and expertise. HB 1497 has not been crafted and introduced in that manner, therefore, we urge a no vote on this bill.

Respectfully submitted,

Kevin J Dvorak, CFP®

President & CEO

North Dakota Community Foundation

Dear Committee,

Please accept this letter in support of HB 1497. As a community member who has been living here in Fargo for the past fourteen years, I saw it first hand, how nonprofit organizations are struggling to get funding in our state, especially small nonprofit like mine. These small organizations or nonprofit in general are doing amazing works in our community by bringing all of us together and they are not doing these works just because they want to benefit from, but because they love helping other that are in needs. So we need to look out for them because that is what North Dakota does, we look out for our people and we stand with them.

Today, I am truly humbled and honor to share my testimony with you and I hope you support this bill by passing it. This can make a huge impact in the community and these nonprofits can carry on their mission and vision clearly and won't have to worry about funding. Furthermore, I truly believe HB 1497 can give my organization the same opportunities to engage high capacity donors and offer them the tax credit for supporting my organization that others do!

Kindly,

Nyamal Dei

Founder and Executive Director

Kondial Kel International

Phone Number: 701-318-5167

Finance and Taxation Committee

HB 1497

February 2, 2021

Chairman Headland and members of the committee, my name is Rachel Hafner. I am the Executive Director for The Arc, Upper Valley in Grand Forks. I am providing your committee with written testimony and asking that you vote “do pass” on HB 1497.

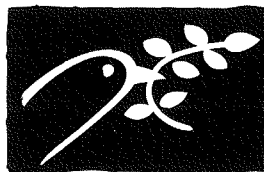
Our nonprofit has been serving Grand Forks and the surrounding region since 1955. Our mission has always been to ensure that people with intellectual and developmental disabilities (I/DD) can live meaningful and productive lives in the community. For us to advocate for the basic human rights of the approximately 1200 people with I/DD in the Grand Forks region, we must raise sufficient revenue to sustain our organization. Like all nonprofits, we have a diverse fundraising plan, which includes soliciting direct donations. As an organization that does not currently receive any state or federal funding, it is important that we inspire individuals to partner with us monetarily so that we can positively impact the individuals that we serve, their families, and the community at large.

HB 1497 provides a tax incentive that would allow individuals to give larger donations directly to small charities such as ours. This would not only facilitate donor choice, allowing them to support the organizations that they are passionate about, but it would also be a game-changer for our organization. We would be able to engage with donors who have the capacity to give larger donations, which would mean less time soliciting many small donations and more time doing the actual work of the organization. It would also put our organization on a level playing field with larger charities. Please note that while we want to engage with people who can give larger donations, we appreciate every donation we receive regardless of amount.

We ask that you vote “do pass” on HB 1497 so that nonprofits such as The Arc, Upper Valley can offer tax incentives to donors who wish to contribute directly to charities of their choice. And we in turn will continue to ensure that all people with I/DD can live, work, go to school, and play in the community without limitations.

I am available by phone or email to answer any questions you may have. Thank you.

Rachel A. Hafner
701-772-6191
rhafner@arcuv.com



A B U S E D
A D U L T
R E S O U R C E
C E N T E R

"Restoring hope. Building futures. Changing lives."

Testimony

House Bill 1497 — Finance and Taxation

2/2/2021

Good morning Chairman Headland, and members of the committee. My name is Michelle Erickson, Executive Director of the Abused Adult Resource Center (AARC), located in Bismarck, North Dakota. I am in favor of this bill.

AARC is a domestic violence/sexual assault crisis agency serving seven counties. We operate an emergency shelter, a transitional shelter, a permanent supportive housing apartment building and a thrift store. We assist approximately 1300-1500 victims per year.

The opportunity to work with this amendment in the North Dakota Century Code relating to charitable income tax credit for contributions will provide all of our domestic violence/sexual assault programs an economic boost as they work with community donors. We have dealt with many challenges this past year in regards to limited space for sheltering, limited and sometimes non-existent PPE supplies, and having to be creative in sheltering clients safely including using motels which is not always the safest and most secure alternative. Having an additional source of dollars for our programs is essential to keeping our program running and providing safety and shelter to victims and their children.

Please extend your support to 1497. If you have any questions, please let me know. Thank you.

P O B o x 5 0 0 3 • B i s m a r c k , N D 5 8 5 0 2 - 5 0 0 3

Office: 701-222-8370 • Fax: 701-323-9399
24-Hr. Crisis: Toll Free: 1-866-341-7009
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#4617

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Testimony

House Bill 1497 — Finance and Taxation

2/2/2021

Good morning Chairman Headland, and members of the committee. My name is Tara Lea Muhlhauser, Executive Director of CAWS North Dakota (ND) (Lobbyist # 1035). I am in favor of this bill.

CAWS ND is a coalition of programs in the state providing services for victims and survivors of Domestic Violence, Sexual Assault, and Human Trafficking. I represent the 20 programs across the state of North Dakota. Nine programs in North Dakota provide Shelter services in their communities. All of our programs are 501(c)(3) organizations.

The opportunity to work with this amendment in the North Dakota Century Code relating to charitable income tax credit for contributions will provide our programs an economic boost as they work with community donors. In our current environment, programs are struggling for resources because of the numbers they are serving, particularly in our shelter programs. They have had shortages of PPE, food, bed space, and unexpected costs for motel stays for survivors and victims and their families when the shelters are full. Having an additional source of dollars for our programs is essential to keep these needed programs in place in our communities serving children, women, and men across the state.

Please extend your support to 1497. If you have any questions, please let me know. Thank you.



January 31, 2021

Dear House Finance and Taxation Committee,

Chairman Headland and Representatives of the House Finance and Taxation Committee, Family Policy Alliance of North Dakota would like to formally indicate its support of House Bill 1497. One of the potential beneficiaries of such a bill will be non-profit organizations such as private schools. It is our firm belief that legislation which provides incentives for school choice ultimately benefits all North Dakota families and their children. This bill will continue the positive strides taken in this direction last legislative session and will further expand support for educational opportunities. For these reasons, we respectfully ask for a "DO PASS" committee recommendation on HB1497.

Thank you for your consideration,

A handwritten signature in black ink that reads "Mark Jorritsma". The signature is fluid and cursive, with the first name "Mark" being more prominent than the last name "Jorritsma".

Mark Jorritsma
Executive Director
Lobbyist #147

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UNLEASHING CITIZENSHIP

FamilyPolicyAlliance.com/NorthDakota



2021 HOUSE STANDING COMMITTEE MINUTES

Finance and Taxation Committee Room JW327E, State Capitol

HB 1497
2/2/2021
PM

A bill relating to replacement of the individual, estate, and trust income tax rate schedule with a flat-rate income tax.

Chairman Headland opened up for discussion at 3:03pm.

Representatives	Present
Representative Craig Headland	Y
Representative Vicky Steiner	Y
Representative Dick Anderson	Y
Representative Glenn Bosch	Y
Representative Jason Dockter	Y
Representative Sebastian Ertelt	Y
Representative Jay Fisher	Y
Representative Patrick Hatlestad	Y
Representative Zachary Ista	AB
Representative Tom Kading	Y
Representative Ben Koppelman	Y
Representative Marvin E. Nelson	AB
Representative Nathan Toman	Y
Representative Wayne A. Trottier	Y

Discussion Topics:

- Committee action

Representative Dockter made a motion for a Do Not Pass.

Representative Bosch seconded the motion.

Roll call vote:

Representatives	Vote
Representative Craig Headland	Y
Representative Vicky Steiner	Y
Representative Dick Anderson	Y
Representative Glenn Bosch	Y
Representative Jason Dockter	Y
Representative Sebastian Ertelt	N
Representative Jay Fisher	Y
Representative Patrick Hatlestad	Y
Representative Zachary Ista	AB
Representative Tom Kading	N

Representative Ben Koppelman	N
Representative Marvin E. Nelson	AB
Representative Nathan Toman	N
Representative Wayne A. Trottier	Y

Motion carried 8-4-2

Representative Bosch is the bill carrier.

Chairman Headland closed the discussion at 3:06pm.

Mary Brucker, Committee Clerk

REPORT OF STANDING COMMITTEE

HB 1497: Finance and Taxation Committee (Rep. Headland, Chairman) recommends **DO NOT PASS** (8 YEAS, 4 NAYS, 2 ABSENT AND NOT VOTING). HB 1497 was placed on the Eleventh order on the calendar.