

2021 HOUSE FINANCE AND TAXATION

HB 1414

2021 HOUSE STANDING COMMITTEE MINUTES

Finance and Taxation Committee Room JW327E, State Capitol

HB 1414
1/27/2021
AM

A bill relating to a deduction for retailer remittance of sales tax.
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Chairman Headland opened the hearing at 11:00am.

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

Discussion Topics:

- Deduction of retailer sales tax for one year

Representative P. Anderson introduced the bill. Testimony #3793.

Chairman Headland closed the hearing at 11:14am.

Representative P. Anderson clarified the fiscal impact of the bill.

Additional written testimony:

Kate Herzog, Downtown Business Association of Bismarck, testimony in support #3514.

Brian Ritter, Bismarck Mandan Chamber EDC, testimony in support #2742.

Chairman Headland closed the discussion at 11:18am.

Mary Brucker, Committee Clerk

HB 1414

Rep. Pamela Anderson
District 41

Breakdown of businesses by employees:

0 to 10	15,934	64.6%
11 to 15.	1,995	8.0
16 to 20	1,240	5.0
21 to 50.	2,835	11.5
51 to 100.	1,269	5.1
100 plus.	1,369	5.6
Total	24,649	

Bank of North Dakota Small Employer Loan Fund Program (SELF) a low interest loan program for businesses with 10 or less employees. 700 loans for \$24 Million, 4.4%

Economic Resiliency Grants (ERG) Program through the Commerce Department for operational costs for businesses in hospitality sector that closed on March 13, 2020. First round 1021 applications total of \$13.4 Million.

Second Round of Economic Resiliency Grants for helping businesses in the hospitality industry that have been impacted by Covid-19 and reimburses costs for operations. Still open.

Employee Figures for various industries from year to year:	Dec. 2019.	Dec. 2020.	Change
Accommodation and Food Services.	35,100.	29,100.	(6,000)
Accommodation.	6,400.	4,700.	(1,700)
Food Services and Drinking Places.	28,700.	24,400	(4,300)



House Finance and Taxation Committee
Chairperson and Committee Members

Support of HB 1414

The Downtown Business Association of Bismarck represents over 200 members with 9,000 employees in North Dakota's second largest employment district. Our organization asks your support of HB 1414 to assist small retailers as they work to keep their businesses afloat in 2021. The pandemic has had an outsized effect on small businesses in our state. Nationally, most economists recognize a "K-Shaped" recovery, with large businesses representing the biggest gains and smaller businesses struggling to recover.

HB 1414 is targeted to assist small retailers in the economic recovery process. By supporting this bill, North Dakota can provide targeted support to businesses struggling to gain traction in the COVID recovery.

We encourage your support of HB 1414 and a favorable "Do Pass" recommendation.

A handwritten signature in black ink, appearing to read "Kate Herzog".

Kate Herzog, COO
Chief Operating Officer
Downtowners Bismarck



House Finance and Taxation Committee – HB 1414

Representative Craig Headland, Chair

January 27, 2021

Chairman Headland, Members of the Committee:

My name is Brian Ritter and I'm President of the Bismarck Mandan Chamber EDC. Please accept this testimony on behalf of our organization's approximately 1,200 members in support of HB 1414.

Our organization's 2021 Legislative Agenda includes an item that reads, "*Advocate for legislation that supports the recovery and stabilization of the regional business community and workforce, including legislation providing employers access to relevant resources and opportunities for financial stability to aid in short-term relief and encourage long-term economic growth.*"

HB 1414 would be a step towards both recovery and stabilization for certain businesses as it allows retailers to "...deduct and retain the tax collected on the first one hundred thousand dollars in sales subject to sales tax..." during 2021. Furthermore, this action is targeted to retailers with less than 16 full-time equivalent employees (FTE). That's important to note because 56% of our members have less than 10 employees.

The State of North Dakota has actively supported our businesses throughout the COVID-19 pandemic and we would respectfully ask that you continue to do so, whether it's through the passage of HB 1414 or other legislation that assists them.

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Finance and Taxation Committee Room JW327E, State Capitol

HB 1414
1/27/2021
PM

A bill relating to a deduction for retailer remittance of sales tax.
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Chairman Headland opened up for discussion at 2:36pm.

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	AB
Representative Nathan Toman	AB
Representative Wayne A. Trottier	Y

Discussion Topics:

- Committee discussion
- Committee decision

Representative B. Koppelman 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	Y
Representative Jay Fisher	Y
Representative Patrick Hatlestad	Y
Representative Zachary Ista	N
Representative Tom Kading	N

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

Motion carried 10-2-2

Representative B. Koppelman is the bill carrier.

Chairman Headland closed the discussion at 2:41pm.

Mary Brucker, Committee Clerk

REPORT OF STANDING COMMITTEE

HB 1414: Finance and Taxation Committee (Rep. Headland, Chairman) recommends **DO NOT PASS** (10 YEAS, 2 NAYS, 2 ABSENT AND NOT VOTING). HB 1414 was placed on the Eleventh order on the calendar.