

PROPOSED AMENDMENTS TO SENATE BILL NO. 2006

Page 1, line 3, after the semicolon insert "to amend and reenact section 57-01-04 of the North Dakota Century Code, relating to the salary of the state tax commissioner;"

Page 1, replace lines 12 through 22 with:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$21,724,004	\$1,214,180	\$22,938,184
Operating expenses	6,749,295	363,165	7,112,460
Capital assets	6,000	0	6,000
Homestead tax credit	14,800,000	1,000,000	15,800,000
Disabled veterans' tax credit	<u>8,110,200</u>	<u>300,000</u>	<u>8,410,200</u>
Total all funds	\$51,389,499	\$2,877,345	\$54,266,844
Less estimated income	<u>125,000</u>	<u>0</u>	<u>125,000</u>
Total general fund	\$51,264,499	\$2,877,345	\$54,141,844
Full-time equivalent positions	133.00	(10.00)	123.00

**SECTION 2. LINE ITEM TRANSFERS.** The state tax commissioner may transfer funds between the homestead tax credit and disabled veterans' tax credit line items in section 1 of this Act if one line item does not have sufficient funds available for state reimbursement of eligible tax credits. The state tax commissioner shall notify the office of management and budget and the legislative council of any transfers made pursuant to this section."

Page 2, after line 4, insert:

**"SECTION 4. AMENDMENT.** Section 57-01-04 of the North Dakota Century Code is amended and reenacted as follows:

**57-01-04. Salary.**

The annual salary of the state tax commissioner is ~~one hundred eleven thousand four hundred forty eight dollars through June 30, 2016, and one hundred fourteen thousand seven hundred ninety one dollars thereafter~~ one hundred seventeen thousand eighty-seven dollars through June 30, 2020, and one hundred twenty thousand six hundred dollars thereafter."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**Senate Bill No. 2006 - State Tax Commissioner - Senate Action**

	<u>Base Budget</u>	<u>Senate Changes</u>	<u>Senate Version</u>
Salaries and wages	\$21,724,004	\$1,214,180	\$22,938,184
Operating expenses	6,749,295	363,165	7,112,460
Capital assets	6,000		6,000
Homestead tax credit	14,800,000	1,000,000	15,800,000
Disabled veterans' credit	<u>8,110,200</u>	<u>300,000</u>	<u>8,410,200</u>
Total all funds	\$51,389,499	\$2,877,345	\$54,266,844
Less estimated income	125,000	0	125,000

General fund	\$51,264,499	\$2,877,345	\$54,141,844
FTE	133.00	(10.00)	123.00

**Department 127 - State Tax Commissioner - Detail of Senate Changes**

	Adjusts Funding for Base Payroll Changes <sup>1</sup>	Adds Funding for Salary and Benefit Increases <sup>2</sup>	Adds Funding for an Auditor Position <sup>3</sup>	Removes Unfunded Vacant FTE Positions <sup>4</sup>	Underfunds Salaries and Wages <sup>5</sup>	Increases Funding for GenTax Software Support <sup>6</sup>
Salaries and wages	\$711,232	\$1,200,200	\$75,000		(\$772,252)	
Operating expenses						\$300,589
Capital assets						
Homestead tax credit						
Disabled veterans' credit						
<b>Total all funds</b>	<b>\$711,232</b>	<b>\$1,200,200</b>	<b>\$75,000</b>	<b>\$0</b>	<b>(\$772,252)</b>	<b>\$300,589</b>
Less estimated income	0	0	0	0	0	0
General fund	\$711,232	\$1,200,200	\$75,000	\$0	(\$772,252)	\$300,589
FTE	0.00	0.00	0.00	(10.00)	0.00	0.00

	Adds Funding for Microsoft Office 365 Licensing <sup>7</sup>	Increases Funding for Tax Credit Programs <sup>8</sup>	Total Senate Changes
Salaries and wages			\$1,214,180
Operating expenses	\$62,576		363,165
Capital assets			
Homestead tax credit		\$1,000,000	1,000,000
Disabled veterans' credit		300,000	300,000
<b>Total all funds</b>	<b>\$62,576</b>	<b>\$1,300,000</b>	<b>\$2,877,345</b>
Less estimated income	0	0	0
General fund	\$62,576	\$1,300,000	\$2,877,345
FTE	0.00	0.00	(10.00)

<sup>1</sup> Funding is adjusted for base payroll changes.

<sup>2</sup> The following funding is added for 2019-21 biennium salary adjustments of 2 percent on July 1, 2019, and 3 percent on July 1, 2020, and increases in health insurance premiums from \$1,241 to \$1,427 per month:

	General Fund
Salary increase	\$633,516
Health insurance increase	566,684
Total	\$1,200,200

<sup>3</sup> Funding is added for an auditor position that was partially funded during the 2017-19 biennium to provide a total of \$150,000.

<sup>4</sup> Removes 10 FTE unfunded vacant positions, including 2 office assistants, 1 account technician, 2 auditors, and 5 unspecified positions.

<sup>5</sup> Funding for salaries and wages is reduced for anticipated savings from vacant positions and employee turnover.

<sup>6</sup> Funding is increased for GenTax information technology support to provide total funding of \$3,630,000.

<sup>7</sup> Funding is added for Microsoft Office 365 licensing expenses.

<sup>8</sup> Funding for the homestead tax credit program is increased by \$1,000,000, from \$14,800,000 to \$15,800,000. Funding for the disabled veterans' tax credit program is increased by \$300,000, from \$8,110,200 to \$8,410,200.

This amendment also adds sections to:

- Authorize the Tax Commissioner to transfer funds between the homestead tax credit line item and the disabled veterans' tax credit line item for the 2019-21 biennium.

- Provide the statutory changes necessary to increase the Tax Commissioner's salary from the current salary of \$114,791 to \$117,087 (2 percent) in fiscal year 2020 and to \$120,600 (3 percent) in fiscal year 2021.