

**Tax Commissioner  
Budget No. 127  
House Bill No. 1006**

	FTE Positions	General Fund	Other Funds	Total
2021-23 legislative appropriation	118.00	\$64,241,316	\$125,000	\$64,366,316
2019-21 legislative appropriation	123.00	58,111,616 <sup>1</sup>	153,601 <sup>1</sup>	58,265,217
2021-23 appropriation increase (decrease) to 2019-21 appropriation	(5.00)	\$6,129,700	(\$28,601)	\$6,101,099

<sup>1</sup>The 2019-21 appropriation amount includes a deficiency appropriation of \$4.04 million from the general fund approved by the Legislative Assembly in House Bill No. 1025 (2021) for the homestead tax credit program (\$1.31 million) and the disabled veterans' tax credit (\$2.73 million) and one-time funding of \$28,601 from federal coronavirus relief funds for telework equipment, personal protective equipment, and a secure drop box for the Capitol related to the COVID-19 pandemic.

**Item Description**

**FTE changes** - The Legislative Assembly approved 118 FTE positions for the Tax Commissioner for the 2021-23 biennium, a decrease of 5 FTE positions. The Legislative Assembly removed 5 undesignated FTE positions, the same as the agency's budget request.

**Multistate tax audit fund** - The collections from the Multistate Tax Commission audit and National Nexus Program are deposited in the multistate tax audit fund, and the related program expenses are paid from the fund pursuant to a continuing appropriation. Excess collections are transferred to the general fund at the end of each fiscal year. The fund is codified in North Dakota Century Code Section 57-01-20.

**Homestead tax credit program and disabled veterans' property tax credit program** - The homestead tax credit program provides tax credits to eligible homeowners who are aged 65 or older or who are certified as permanently and totally disabled regardless of age. Renters who are aged 65 or older or who are certified as permanently and totally disabled regardless of age may qualify for a rent refund. The disabled veterans' property tax credit program provides tax credits to disabled veterans with an armed forces service-connected disability of 50 percent or greater. The 2021 Legislative Assembly expanded the property tax credit for disabled veterans to increase the credit from the first \$6,750 of taxable value (\$150,000 true and full value) to \$8,100 of taxable value (\$200,000 of true and full value).

House Bill No. 1006 includes an appropriation of \$18 million from the general fund for the homestead tax credit program and \$16.3 million from the general fund for the disabled veterans' property tax credit program. The bill also authorizes the Tax Commissioner to transfer funding as needed between the two programs during the 2021-23 biennium.

**Status/Result**

The Tax Department removed 5 undesignated FTE positions identified by the Legislative Assembly. All of the positions were vacant prior to removal.

For the 2019-21 biennium, \$2,758,711 was deposited in the multistate tax audit fund. The fees for the Multistate Tax Commission audit and National Nexus Program totaled \$406,744 and \$2,349,308 was transferred to the general fund during the biennium. The balance of \$216,618 is available to pay for future fees.

For the 2021-23 biennium through March 2022, \$10,440,110 has been deposited in the fund. The fees are estimated to be \$440,000 for the 2021-23 biennium. Transfers to the general fund for the biennium are anticipated to total \$10,500,000.

The schedules below present the number of eligible homeowners, renters, disabled veterans, and the payments made in recent years.

Payment Year	Number Eligible for the Programs			Total
	Homeowners	Renters	Disabled Veterans	
2012	4,359	2,257	2,192	8,808
2013	4,265	2,283	2,460	9,008
2014	6,740	2,680	2,661	12,081
2015	8,964	2,814	2,902	14,680
2016	8,659	2,749	3,111	14,519
2017	8,621	2,497	3,329	14,447
2018	9,075	2,844	3,571	15,490
2019	9,399	2,169	4,017	15,585
2020	9,316	2,565	4,375	16,256
2021	9,173	2,480	4,837	16,490

Payment Year	Payments Made Under the Programs			
	Homeowners	Renters	Disabled Veterans	Total
2012	\$3,312,824	\$584,112	\$2,299,511	\$6,196,447
2013	\$3,352,224	\$583,233	\$2,587,745	\$6,523,202
2014	\$4,905,351	\$724,635	\$2,754,964	\$8,384,950
2015	\$6,446,260	\$779,043	\$3,060,402	\$10,285,705
2016	\$6,112,599	\$772,099	\$3,544,430	\$10,429,128
2017 <sup>1</sup>	\$6,920,844	\$724,443	\$3,771,607	\$11,416,894
2018	\$7,141,146	\$788,913	\$4,083,489	\$12,013,548
2019	\$7,473,144	\$787,855	\$4,722,742	\$12,983,741
2020	\$7,629,207	\$757,872	\$5,231,637	\$13,618,716
2021	\$7,473,676	\$755,235	\$5,846,365	\$14,075,276

<sup>1</sup>In May 2017, the Tax Department transferred \$750,000 from the homestead tax credit line item to the disabled veterans' tax credit line item to adjust the 2015-17 biennium appropriations for the programs because the new actual disabled veterans' tax credits exceeded the appropriation, while the actual homestead tax credits were less than the appropriation.