

July 2004

Introduced by

1 A BILL for an Act to amend and reenact section 57-38-30 of the North Dakota Century Code,
2 relating to corporate income tax rates; and to provide an effective date.

3 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

4 **SECTION 1. AMENDMENT.** Section 57-38-30 of the North Dakota Century Code is
5 amended and reenacted as follows:

6 **57-38-30. Imposition and rate of tax on corporations.** A tax is hereby imposed upon
7 the taxable income of every domestic and foreign corporation which must be levied, collected,
8 and paid annually as in this chapter provided:

- 9 1. a. For the first three thousand dollars of taxable income, at the rate of two and
10 six-tenths percent.
- 11 b. On all taxable income above three thousand dollars and not in excess of eight
12 thousand dollars, at the rate of four and one-tenth percent.
- 13 c. On all taxable income above eight thousand dollars and not in excess of
14 twenty thousand dollars, at the rate of five and six-tenths percent.
- 15 d. On all taxable income above twenty thousand dollars, and not in excess of
16 thirty thousand dollars, at the rate of six and four-tenths percent.
- 17 e. On all taxable income above thirty thousand dollars, at the rate of seven
18 percent.

19 2. A corporation that has paid North Dakota alternative minimum tax in years
20 beginning before January 1, 1991, may carry over any alternative minimum tax
21 credit remaining to the extent of the regular income tax liability of the corporation
22 for a period not to exceed four taxable years.

23 3. Each of the tax rates in subsection 1 of this section and subsection 3 of section
24 57-38.4-02 is reduced:

- 1 a. By ten percent for the corporation's first taxable year beginning after
2 December 31, 2004;
- 3 b. By twenty percent for the corporation's first taxable year beginning after
4 December 31, 2005;
- 5 c. By thirty percent for the corporation's first taxable year beginning after
6 December 31, 2006;
- 7 d. By forty percent for the corporation's first taxable year beginning after
8 December 31, 2007;
- 9 e. By fifty percent for the corporation's first taxable year beginning after
10 December 31, 2008;
- 11 f. By sixty percent for the corporation's first taxable year beginning after
12 December 31, 2009;
- 13 g. By seventy percent for the corporation's first taxable year beginning after
14 December 31, 2010;
- 15 h. By eighty percent for the corporation's first taxable year beginning after
16 December 31, 2011;
- 17 i. By ninety percent for the corporation's first taxable year beginning after
18 December 31, 2012;
- 19 j. To zero for taxable years beginning after December 31, 2013.

20 **SECTION 2. EFFECTIVE DATE.** This Act is effective for taxable years beginning after
21 December 31, 2004.