

Fifty-fifth  
Legislative Assembly  
of North Dakota

**HOUSE BILL NO. 1104**

Introduced by

Finance and Taxation Committee

(At the request of the Tax Commissioner)

1 A BILL for an Act to amend and reenact subdivision h of subsection 1 of section 57-38-01.2,  
2 subsection 5 of section 57-38-04, and subsection 2 of section 57-38-60 of the North Dakota  
3 Century Code, relating to allocation and apportionment of nonresident income and employer  
4 income tax withholding return requirements; and to provide an effective date.

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

6 **SECTION 1. AMENDMENT.** Subdivision h of subsection 1 of section 57-38-01.2 of the  
7 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

8 h. ~~Reduced~~ Except for residents, reduced by the amount of net income not  
9 allocated and apportioned to this state under the provisions of chapter  
10 57-38.1, but only to the extent that the amount of net income not allocated  
11 and apportioned to this state under the provisions of that chapter is not  
12 included in any adjustment made pursuant to the preceding subdivisions.

13 **SECTION 2. AMENDMENT.** Subsection 5 of section 57-38-04 of the 1995 Supplement  
14 to the North Dakota Century Code is amended and reenacted as follows:

15 5. Whenever a trade or business is carried on partly within and partly without this  
16 state by a nonresident of this state, the entire income therefrom must be allocated  
17 to this state and to other states, according to the provisions of ~~sections 57-38-12,~~  
18 ~~57-38-13, and 57-38-14~~ chapter 57-38.1, providing for allocation and  
19 apportionment of income of corporations doing business within and without this  
20 state.

21 **SECTION 3. AMENDMENT.** Subsection 2 of section 57-38-60 of the 1995 Supplement  
22 to the North Dakota Century Code is amended and reenacted as follows:

1           2. Every employer shall file a return on forms prescribed by the tax commissioner with  
2           each payment made to the tax commissioner under this section which ~~shall show~~  
3           ~~the total amount of wages paid to employees, the amount of federal income tax~~  
4           ~~deducted and withheld during the period covered by the return,~~ shows the amount  
5           of tax imposed under this chapter which was deducted and withheld during the  
6           period covered by the return, and such other information as the tax commissioner  
7           may require.

8           **SECTION 4. EFFECTIVE DATE.** This Act is effective for taxable years beginning after  
9           December 31, 1996.