Fifty-sixth Legislative Assembly of North Dakota

ENGROSSED HOUSE BILL NO. 1320

Introduced by

Representatives S. Kelsh, Delmore, Price

Senators T. Mathern, Thane

- 1 A BILL for an Act to create and enact a new section to chapter 57-38 and a new subsection to
- 2 section 57-38-30.3 of the North Dakota Century Code, relating to an income tax credit for
- 3 employers who provide a child care program for children of employees; and to provide an
- 4 effective date.

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BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. A new section to chapter 57-38 of the North Dakota Century Code is created and enacted as follows:

Credit for employee child care program. An employer is entitled to an income tax credit against taxes due and computed under section 57-38-29, 57-38-30, or 57-38-30.3 for the employer's net cost of operating a child care program used primarily by children of the taxpayer's employees. The amount of the credit allowed by this section for any child care program may not exceed twenty-five thousand dollars for any taxable year. If two or more employers share in the costs eligible for the credit provided by this section, each employer is eligible for the portion of the credit which equals that employer's share of the net cost for operation of the child care program. The amount of credit in any taxable year under this section is limited to the lesser of the taxpayer's tax liability under this chapter or the taxpayer's net cost of operating a child care program, and any excess may be carried over and applied against taxes due under this chapter for up to three taxable years.

SECTION 2. A new subsection to section 57-38-30.3 of the 1997 Supplement to the North Dakota Century Code is created and enacted as follows:

An individual, estate, or trust is allowed, as a credit against the tax otherwise due under this section, the employer child care program credit under section 1 of this Act.

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- 1 **SECTION 3. EFFECTIVE DATE.** This Act is effective for taxable years beginning after
- 2 December 31, 1998.