

February 10, 1999

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1492

Page 2, line 16, replace ""Primary place of residence" means the place of residence of the taxpayer or" with ""Taxpayer" means an individual, corporation, financial institution, or trust subject to the taxes imposed by chapter 57-35.3 or 57-38."

Page 2, remove lines 17 and 18

Page 2, line 25, after "to" insert "the office of intergovernmental assistance to" and replace ", and any" with ". Any"

Page 2, line 26, remove "with tax liability in"

Page 2, line 27, remove "the state"

Page 4, line 17, remove "levied by that city"

Page 4, line 19, replace "- **Confidentiality of records - Required**" with a boldfaced period

Page 4, remove line 20

Page 4, line 21, after "individual" insert "taxpayer" and after "purchases" insert "single-family residential"

Page 4, line 23, replace "in the year of the investment" with "with the date of occupancy"

Page 5, line 1, replace "The office of intergovernmental assistance, in cooperation with the state board of" with "The exemptions provided by this section do not eliminate any duty to file a return or to report income as required under chapters 57-35.3 or 57-38."

Page 5, remove lines 2 through 8

Page 5, line 9, replace "- **Confidentiality of records - Required**" with a boldfaced period

Page 5, remove line 10

Page 5, line 11, replace "An individual who purchases property for the individual's primary place of" with "A municipality may grant a partial or complete exemption from ad valorem taxation on single-family residential property, exclusive of the land on which it is situated, located in a zone project if the property was purchased by an individual for the individual's primary place of residence. An exemption granted under this subsection may not extend beyond five taxable years following the date of acquisition."

Page 5, remove lines 12 and 13

Page 5, line 14, replace "A business that purchases property" with "Buildings, structures, fixtures, and improvements purchased by a business"

Page 5, line 17, replace "An individual, partnership, limited partnership, limited liability company, trust, or" with "A municipality may grant a partial or complete exemption from

ad valorem taxation on all buildings, structures, fixtures, and improvements to residential or commercial property located in a zone project if the property was purchased solely for investment purposes. An exemption granted under this subsection may not extend beyond five taxable years following the date of acquisition."

Page 5, remove lines 18 through 28

Page 5, line 29, replace "- **Confidentiality of**" with a boldfaced period

Page 5, remove line 30

Page 6, replace lines 1 through 15 with "A credit against state tax liability as determined under sections 57-35.3-03, 57-38-29, 57-38-30, and 57-38-30.3 is allowed for investments in the historic preservation or renovation of property within the renaissance zone if the investment is made between January 1, 2000, and December 31, 2004. The amount of the credit is fifty percent of the amount invested during the taxable year. Any excess credit may be carried forward for a period of up to five taxable years from the date of the investment."

Page 6, line 16, replace the second boldfaced dash with a boldfaced period

Page 6, remove line 17

Page 7, line 4, replace "A renaissance fund corporation is exempt from all state tax levies. However, a" with "A renaissance fund corporation is exempt from any tax imposed by chapters 57-35.3 or 57-38. A corporation or financial institution entitled to the exemption provided by this subsection must file required returns and report income to the tax commissioner as required by the provisions of those chapters as if the exemption did not exist. If an employer, this subsection does not exempt a renaissance fund corporation from complying with the income tax withholding laws.

5. A credit against state tax liability as determined under sections 57-35.3-03, 57-38-29, 57-38-30, or 57-38-30.3 is allowed for investments in a renaissance fund corporation. The amount of the credit is fifty percent of the amount invested in the renaissance fund corporation during the taxable year. Any amount of credit which exceeds a taxpayer's tax liability for the taxable year may be carried forward for up to five taxable years after the taxable year in which the investment was made."

Page 7, remove lines 5 through 11

Page 7, line 13, replace "twenty-five" with "two" and after "million" insert "five hundred thousand"

Page 8, remove lines 6 through 13

Page 8, line 17, after the first boldfaced period insert "**Rules and administration** -" and after the second boldfaced period insert "The tax commissioner shall administer this Act as it relates to an income tax exemption or credit and has the same powers as provided under section 57-38-56 for purposes of this Act. The office of intergovernmental assistance, in cooperation with the tax commissioner, shall issue forms to a taxpayer who may be eligible for the income tax exemption or tax credit sufficient for the tax commissioner to monitor the use of any exemptions or credits received by a taxpayer."

Page 8, line 18, replace "no" with "not"

Page 8, after line 20, insert:

"SECTION 10. Pass-through of tax exemption or credit. A partnership, subchapter S corporation, limited partnership, limited liability company or any other pass-through entity that purchases or leases property in a renaissance zone for any business purpose, invests in a historic preservation or renovation of property within a renaissance zone, or invests in a renaissance fund corporation must be considered to be the taxpayer for purposes of any investment limitations in sections 4, 6, and 7 of this Act, and the amount of the exemption or credit allowed with respect to the entity's investments must be determined at the pass-through entity level. The amount of the total exemption or credit determined at the entity level must be passed through to the partners, shareholders, or members in proportion to their respective interests in the pass-through entity.

SECTION 11. 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:

A taxpayer filing a return under this section is entitled to the exemptions or credits provided under sections 4, 6, and 7 of this Act."

Renumber accordingly