

Fifty-seventh
Legislative Assembly
of North Dakota

SENATE BILL NO. 2221

Introduced by

Senators Heitkamp, G. Nelson

Representatives Belter, Gulleason

1 A BILL for an Act to create and enact a new subsection to section 57-35.3-05, a new section to
2 chapter 57-38, and a new subsection to section 57-38-30.3 of the North Dakota Century Code,
3 relating to a credit against financial institutions taxes and corporate, individual, estate, and trust
4 income taxes for charitable contributions; and to provide an effective date.

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

6 **SECTION 1.** A new subsection to section 57-35.3-05 of the North Dakota Century Code
7 is created and enacted as follows:

8 There is allowed a credit against the tax imposed by sections 57-35.3-01 through
9 57-35.3-12 in the amount allowed for charitable contributions as determined under
10 section 2 of this Act.

11 **SECTION 2.** A new section to chapter 57-38 of the North Dakota Century Code is
12 created and enacted as follows:

13 **Charitable contribution credit.** A taxpayer is entitled to a credit against tax liability as
14 determined under section 57-35.3-03, 57-38-29, 57-38-30, or 57-38-30.3 in the amount of fifty
15 percent of charitable contributions made by the taxpayer during the taxable year for use within
16 the state by an organization incorporated or organized in North Dakota which is a tax-exempt
17 charitable organization under section 501(c)(3) of the Internal Revenue Code [26 U.S.C.
18 501(c)(3)]. A taxpayer may not claim the credit under this section to the extent that taxpayer
19 used that contribution to reduce taxable income under chapter 57-35.3, taxable income before
20 applying the tax rates under section 57-38-29 or 57-38-30, or federal income tax liability under
21 section 57-38-30.3. The maximum credit that may be claimed by a taxpayer under this section
22 in a taxable year is ten thousand dollars. Credits allowed under this section may not exceed
23 the taxpayer's tax liability under chapter 57-35.3 or this chapter.

1 **SECTION 3.** A new subsection to section 57-38-30.3 of the North Dakota Century Code
2 is created and enacted as follows:

3 A taxpayer filing a return under this section is entitled to the credit provided under
4 section 2 of this Act.

5 **SECTION 4. EFFECTIVE DATE.** This Act is effective for taxable years beginning after
6 December 31, 2000.