

February 19, 2001

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1065

Page 3, line 20, replace "Guaranteed" with "Except as otherwise provided in this subdivision, guaranteed"

Page 3, line 22, after the underscored period insert "In the case of a professional service partnership, the portion of a guaranteed payment paid to a nonresident partner attributable to a reasonable salary may not be treated as a distributive share. The portion of the guaranteed payment not treated as a distributive share that is for services performed in this state must be assigned as provided under subsection 1 of section 57-38-04. For purposes of this subdivision, "professional service partnership" means a partnership that engages in the practice of law, accounting, medicine, and any other profession in which neither capital nor the services of employees are a material income producing factor."

Renumber accordingly