

Fifty-seventh
Legislative Assembly
of North Dakota

ENGROSSED SENATE BILL NO. 2242

Introduced by

Senators Polovitz, Christenson, T. Mathern

Representatives Ekstrom, Jensen, S. Kelsh

1 A BILL for an Act to create and enact a new subdivision to subsection 1 of section 57-38-01.2
2 and a new subsection to section 57-38-30.3 of the North Dakota Century Code, relating to an
3 income tax exemption for individuals under thirty years of age; and to provide an effective date.

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

5 **SECTION 1.** A new subdivision to subsection 1 of section 57-38-01.2 of the North
6 Dakota Century Code is created and enacted as follows:

7 Reduced by the amount of any taxable income on the federal return which is
8 income of an individual who is less than thirty years of age at the end of the
9 individual's taxable year. For a husband and wife filing a joint federal income
10 tax return, only one of whom qualifies for the reduction under this subdivision,
11 their taxable income must be recomputed by preparing a pro forma federal
12 return to exclude the exemption, credits, and deduction attributable only to,
13 and the income earned only by, the spouse who is less than thirty years of
14 age at the end of their taxable year. The exemption provided by this
15 subdivision does not eliminate any duty to file a return or to report income as
16 required by this chapter.

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

19 Federal income tax liability under this section must be reduced to zero for a
20 resident individual who is less than thirty years of age at the end of the individual's
21 taxable year. For a husband and wife filing a joint federal income tax return, only
22 one of whom qualifies for the reduction under this subsection, federal income tax
23 liability for purposes of this section must be recomputed by preparing a pro forma
24 federal return to exclude the exemption, credits, and deductions attributable only

1 to, and the income earned only by, the spouse who is less than thirty years of age
2 at the end of their taxable year. The exemption provided by this subsection does
3 not eliminate any duty to file a return or to report income as required by this
4 chapter.

5 **SECTION 3. EFFECTIVE DATE.** This Act is effective for taxable years beginning after
6 December 31, 2000.