## Adopted by the Finance and Taxation Committee

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