

Fifty-eighth
Legislative Assembly
of North Dakota

ENGROSSED HOUSE BILL NO. 1309

Introduced by

Representatives Gulleason, Mueller, Nelson, Nicholas

Senators Heitkamp, Thane

1 A BILL for an Act to create and enact a new section to chapter 57-38 of the North Dakota
2 Century Code, relating to a corporate income tax credit for a portion of the cost of retrofitting a
3 facility for producing or blending diesel fuel containing biodiesel fuel; and to provide an effective
4 date.

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

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

8 **Corporate income tax credit for biodiesel production equipment costs.** A taxpayer
9 is entitled to a credit against tax liability determined under section 57-38-30 in the amount of ten
10 percent per year for five years of the taxpayer's costs incurred to adapt or add equipment to a
11 facility required to produce or blend diesel fuel containing at least two percent biodiesel fuel by
12 volume. For purposes of this section, "biodiesel" means fuel meeting the specifications
13 adopted by the American society for testing and materials. The credit under this section may
14 not exceed the taxpayer's liability as determined under this chapter for the taxable year and
15 each year's credit amount may be carried forward for up to five taxable years. A taxpayer is
16 limited to two hundred fifty thousand dollars in the cumulative amount of credits under this
17 section for all taxable years.

18 **SECTION 2. EFFECTIVE DATE.** This Act is effective for taxable years beginning after
19 December 31, 2002.