

SENATE BILL NO. 2357

Introduced by

Senator Nichols

Representative Onstad

1 A BILL for an Act to create and enact a new section to chapter 57-39.2 of the North Dakota
2 Century Code, relating to a sales and use tax exemption for construction materials and
3 equipment for new production livestock facilities; to provide an effective date; and to provide an
4 expiration date.

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

6 **SECTION 1.** A new section to chapter 57-39.2 of the North Dakota Century Code is
7 created and enacted as follows:

8 **Sales tax exemption for production livestock facility construction materials -**
9 **Refund - Repayment.**

- 10 1. As used in this section, unless the context otherwise requires:
- 11 a. "Livestock" means beef and dairy cattle, sheep, hogs, or poultry.
- 12 b. "Owner" means any person owning a new production livestock facility.
- 13 c. "Production livestock facility" means new buildings, structures, equipment,
14 and fixtures constructed for livestock production but not including structures
15 such as grain bins or other storage facilities incidental to livestock production.
- 16 2. Gross receipts from sales of tangible personal property used to construct new
17 production livestock facilities in this state are exempt from taxes under this chapter.
18 To qualify for this exemption, the tangible personal property must be incorporated
19 in the structure of the facility or used in the construction process to the point of
20 having no residual economic value.
- 21 3. If the tangible personal property is purchased or installed by a contractor subject to
22 the tax imposed by this chapter, the owner may apply for a refund of the taxes paid
23 by the contractor. The owner may apply for a refund of any taxes paid under this
24 chapter or chapter 57-40.2 by the owner for purchases of qualifying tangible

1 personal property. Refund applications under this section must be made at the
2 times and in the manner directed by the tax commissioner and must include
3 sufficient information to permit the tax commissioner to verify the payment of sales
4 and use taxes and the exempt status of the sale or use.

5 4. The owner must supply the tax commissioner with a copy of any required
6 environmental permits for the facility.

7 5. If a facility has not been used for livestock production within five years from the
8 time of the exemption or refund under this section, the owner is liable for
9 repayment of the full amount of taxes for which exemption was allowed under this
10 section.

11 **SECTION 2. EFFECTIVE DATE - EXPIRATION DATE.** This Act is effective for taxable
12 events occurring after June 30, 2003, and before July 1, 2008. The repayment provisions of
13 subsection 5 of section 1 of this Act continue to apply to any exemption granted during the time
14 this Act is effective.