

March 25, 2003

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1471

Page 1, line 1, after "to" insert "create and enact a new subsection to section 57-38.4-02 of the North Dakota Century Code, relating to the tax on the water's edge filing method; to"

Page 1, line 2, replace "subsection" with "subsections", after "1" insert "and 3", remove "and", and after "57-38-30" insert ", and subsection 3 of section 57-38-40"

Page 1, line 4, after the comma insert "net operating losses," and remove "to repeal chapter 57-38.4 of the North Dakota"

Page 1, line 5, remove "Century Code, relating to the corporate income tax water's edge filing election;"

Page 6, after line 6, insert:

"SECTION 3. AMENDMENT. Subsection 3 of section 57-38-01.3 of the North Dakota Century Code is amended and reenacted as follows:

3. The sum calculated pursuant to subsection 1 must be reduced by the amount of any net operating loss that is attributable to North Dakota sources. If the net operating loss that is attributable to North Dakota sources exceeds the sum calculated pursuant to subsection 1, the excess may be ~~carried back or~~ carried forward for the same time period that an identical federal net operating loss may be ~~carried back or~~ carried forward. If a corporation uses an apportionment formula to determine the amount of income that is attributable to North Dakota, the corporation must use the same formula to determine the amount of net operating loss that is attributable to North Dakota. In addition, no deduction may be taken for a ~~carryback or~~ carryforward when determining the amount of net operating loss that is attributable to North Dakota sources."

Page 6, line 14, replace "two-tenths" with "six-tenths"

Page 6, line 16, remove the overstrike over "~~four and~~" and replace "three and two-tenths" with "one-tenth"

Page 6, line 19, replace "four and three-tenths" with "five and six-tenths"

Page 6, line 21, replace "five" with "six"

Page 6, line 23, overstrike "and not in excess of fifty"

Page 6, line 24, overstrike "thousand dollars," and replace "six and five-tenths" with "seven"

Page 6, line 25, overstrike "f. On all taxable income above fifty thousand dollars, at the rate of" and remove "seven"

Page 6, line 26, overstrike "and", remove "five-tenths", and overstrike "percent."

Page 7, replace lines 1 and 2 with:

"SECTION 5. AMENDMENT. Subsection 3 of section 57-38-40 of the North Dakota Century Code is amended and reenacted as follows:

3. A corporation may file a claim for credit or refund of an overpayment of tax resulting from the carryback of a net operating loss under subsection 3 of section 57-38-01.3, or resulting from a federal capital loss carryback, within three years after the prescribed due date for filing the return, including extensions, for the tax year in which the loss was incurred. The provisions of this subsection applicable to net operating losses are ~~effective~~ ineffective for loss years beginning after December 31, ~~1986~~ 2002.

SECTION 6. A new subsection to section 57-38.4-02 of the North Dakota Century Code is created and enacted as follows:

In addition to the tax imposed under subsection 1 of section 57-38-30, there is imposed an additional tax of three and one-half percent of taxable income which must be levied, collected, and paid annually in the same manner as provided in chapter 57-38."

Page 7, line 3, replace "This Act is" with "Sections 1, 2, 4, and 6 of this Act are"

Page 7, line 4, replace "2002" with "2003. Sections 3 and 5 of this Act are effective for net operating losses incurred in taxable years beginning after December 31, 2002"

Renumber accordingly