

Fifty-ninth
Legislative Assembly
of North Dakota

ENGROSSED SENATE BILL NO. 2193

Introduced by

Senators Tallackson, Trenbeath

Representatives Aarsvold, Belter

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 income tax withholding from certain pension payments; and to
3 provide an effective date.

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

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

7 **Withholding from pensions.** A pension payer required to withhold federal taxes under
8 section 3405 of the Internal Revenue Code [26 U.S.C. 3405] on a pension payment to a
9 resident of this state must deduct and withhold state income taxes payable on the payment.
10 The pension payer shall withhold using the percentage of federal liability method prescribed by
11 the tax commissioner. The recipient of a pension payment may elect not to have taxes
12 withheld under this section. The election must be in the form prescribed by the tax
13 commissioner. A pension payer must comply with section 57-38-60 and is subject to section
14 57-38-60.1. This section does not apply to pension payments exempt from state taxation under
15 federal or state law.

16 **SECTION 2. EFFECTIVE DATE.** This Act is effective for taxable years beginning after
17 December 31, 2005.