

**HOUSE BILL NO. 1319**

Introduced by

Representatives Sandvig, Grande, Kasper

Senators Erbele, Fairfield, Wardner

1 A BILL for an Act to create and enact a new section to chapter 57-38 and a new subsection to  
2 section 57-38-30.3 of the North Dakota Century Code, relating to an income tax credit for  
3 employers for expenditures for employee wellness programs; and to 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 **Employee wellness program tax credit.** An employer is entitled to a credit against  
8 taxes as determined under section 57-38-29, 57-38-30, or 57-38-30.3 in the amount of fifty  
9 dollars per month per employee for qualified employee wellness program expenditures under  
10 this section. Qualified employee wellness expenditures under this section include direct  
11 payment for employee participation or reimbursement of employee expenditures for  
12 participation in:

- 13 1. A health club or fitness or exercise program.
- 14 2. Diet and nutritional programs, not including costs of food or nutritional  
15 supplements.
- 16 3. A program to quit smoking, including costs of nonsmoking aids.
- 17 4. A program for disease risk reduction, intervention, education, or management, not  
18 including costs of food, drugs, or nutritional supplements.

19 An employer that is a passthrough entity must be considered to be the taxpayer for purposes of  
20 this section and the amount of the credit allowed with respect to the passthrough entity's  
21 investments must be determined at the passthrough entity level and passed through to the  
22 partners, shareholders, or members in proportion to their respective interests in the  
23 passthrough entity. Credits allowed under this section may not exceed the taxpayer's liability  
24 under this chapter.

1           **SECTION 2.** A new subsection to section 57-38-30.3 of the North Dakota Century Code  
2 is created and enacted as follows:

3                   A taxpayer filing a return under this section is entitled to the credit provided under  
4                   section 1 of this Act.

5           **SECTION 3. EFFECTIVE DATE.** This Act is effective for taxable years beginning after  
6 December 31, 2004.