

Fifty-ninth
Legislative Assembly
of North Dakota

HOUSE BILL NO. 1474

Introduced by

Representatives Kerzman, Gulleson, L. Meier

Senators Dever, Kilzer

1 A BILL for an Act to create and enact a new subdivision to subsection 1 of section 57-38-01.2
2 and a new subdivision to subsection 2 of section 57-38-30.3 of the North Dakota Century Code,
3 relating to an individual income tax deduction for expenses and lost wages incurred by an
4 individual who makes a donation of a human organ; and to provide an effective date.

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

6 **SECTION 1.** A new subdivision to subsection 1 of section 57-38-01.2 of the North
7 Dakota Century Code is created and enacted as follows:

8 Reduced by up to ten thousand dollars of qualified expenses, not deducted in
9 computing federal taxable income, which are related to a qualified donor's
10 donation, while living, of one or more of the qualified donor's human organs to
11 another human being for human organ transplantation. To determine the
12 extent to which expenses are deducted in computing federal taxable income
13 for purposes of this section, travel and lodging expenses relating to an organ
14 donation are considered deducted by an individual in determining federal
15 taxable income to the extent they exceed seven and one-half percent of
16 federal adjusted gross income as defined in section 62 of the Internal
17 Revenue Code [26 U.S.C. Section 62]. An individual may claim the reduction
18 in this subdivision only once for each instance of organ donation during the
19 taxable year in which the human organ donation and the human organ
20 transplantation occurs but if qualified expenses are incurred in more than one
21 taxable year, the reduction for those expenses must be claimed in the year in
22 which the expenses are incurred. For purposes of this subdivision:

- (1) "Human organ transplantation" means the medical procedure by which transfer of a human organ is made from the body of one person to the body of another person.
- (2) "Organ" means all or part of an individual's liver, pancreas, kidney, intestine, lung, or bone marrow.
- (3) "Qualified donor" means the individual or the individual's dependent, as defined in section 152 of the Internal Revenue Code [26 U.S.C. Section 152].
- (4) "Qualified expenses" means unreimbursed expenses for both the individual and the qualified donor for travel, lodging, and lost wages not compensated by sick pay.

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

Reduced by up to ten thousand dollars of qualified expenses, not deducted in computing federal taxable income, which are related to a qualified donor's donation, while living, of one or more of the qualified donor's human organs to another human being for human organ transplantation. To determine the extent to which expenses are deducted in computing federal taxable income for purposes of this section, travel and lodging expenses relating to an organ donation are considered deducted by an individual in determining federal taxable income to the extent they exceed seven and one-half percent of federal adjusted gross income as defined in section 62 of the Internal Revenue Code [26 U.S.C. Section 62]. An individual may claim the reduction in this subdivision only once for each instance of organ donation during the taxable year in which the human organ donation and the human organ transplantation occurs but if qualified expenses are incurred in more than one taxable year, the reduction for those expenses must be claimed in the year in which the expenses are incurred. For purposes of this subdivision:

- (1) "Human organ transplantation" means the medical procedure by which transfer of a human organ is made from the body of one person to the body of another person.

- 1 (2) "Organ" means all or part of an individual's liver, pancreas, kidney,
2 intestine, lung, or bone marrow.
- 3 (3) "Qualified donor" means the individual or the individual's dependent, as
4 defined in section 152 of the Internal Revenue Code [26 U.S.C. Section
5 152].
- 6 (4) "Qualified expenses" means unreimbursed expenses for both the
7 individual and the qualified donor for travel, lodging, and lost wages not
8 compensated by sick pay.

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