

February 12, 2007

PROPOSED AMENDMENTS TO SENATE BILL NO. 2363

Page 4, line 4, overstrike "taxpayer" and overstrike "taxes" and insert immediately thereafter "tax"

Page 4, line 7, overstrike "any" and after "~~Dakota~~" insert "a"

Page 4, line 8, overstrike "by"

Page 4, line 9, overstrike "a taxpayer", overstrike "from all sources", and after the second "a" insert "taxable"

Page 4, line 10, replace "for an individual" with an underscored comma

Page 4, line 11, replace "persons" with "individuals"

Page 4, overstrike lines 13 through 17

Page 4, line 19, overstrike the period

Page 4, remove lines 20 through 23

Page 4, line 24, remove "a.", after the first "a" insert "tax", after "credit" insert "against the tax imposed by section 57-38-30", and replace the second "a" with "the present value of the aggregate amount of the"

Page 4, line 25, remove "charitable", after "gift" insert "portion of planned gifts", and remove "qualified nonprofit organization or"

Page 4, line 27, remove "from all sources"

Page 4, replace lines 30 and 31 with:

"4. An estate or trust is allowed a tax credit in an amount equal to forty percent of a charitable gift, or forty percent of the present value of the aggregate amount of the charitable gift portion of planned gifts, made to a qualified nonprofit organization or qualified endowment. The maximum credit allowed under this subsection for contributions made in a taxable year is ten thousand dollars. The allowable credit must be apportioned to the estate or trust and to its beneficiaries on the basis of the income of the estate or trust allocable to each, and the beneficiaries may claim their share of the credit against the tax imposed by section 57-38-29, 57-38-30, or 57-38-30.3. A beneficiary may claim the credit only in the beneficiary's taxable year in which the taxable year of the estate or trust ends. Subsections 6 and 7 apply to the estate or trust and its beneficiaries with respect to their respective shares of the apportioned credit."

Page 5, remove lines 1 through 6

Page 5, line 7, replace "4." with "5."

Page 5, line 8, remove "charitable"

Page 5, line 9, remove "gifts, or forty percent of"

Page 5, line 16, after the underscored period insert "The partner, shareholder, or member may claim the credit only in the partner's, shareholder's, or member's taxable year in which the taxable year of the partnership, subchapter S corporation, or limited liability company ends. Subsections 6 and 7 apply to the partner, shareholder, or member.

6. The amount of the contribution upon which an allowable credit is computed must be added to federal taxable income in computing North Dakota taxable income in the taxable year in which the credit is first claimed, but only to the extent that the contribution reduced federal taxable income.
7. An unused credit may be carried forward for up to three taxable years.
8. If a contribution for which a credit was claimed is recovered by the taxpayer, an amount equal to the credit claimed in all taxable years must be added to the tax due on the income tax return filed for the taxable year in which the recovery occurs. For purposes of subsection 4, this subsection applies if the estate or trust recovers the contribution and the estate or trust and its beneficiaries are liable for the additional tax due with respect to their respective shares of the apportioned credit. For purposes of subsection 5, this subsection applies if the partnership, subchapter S corporation, or limited liability company recovers the contribution, and the partner, shareholder, or member is liable for the additional tax due."

Renumber accordingly