

Sixtieth
Legislative Assembly
of North Dakota

SENATE BILL NO. 2362

Introduced by

Senators Bakke, Heckaman, Warner

Representatives Potter, Schneider, Vig

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 income tax reduction for higher education tuition and related expenses; and to
4 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 the amount provided in this subdivision for higher education
9 qualified tuition and related expenses during the taxable year for attendance
10 by the taxpayer or spouse or dependent of the taxpayer at a higher education
11 institution in this state. Married taxpayers must file a joint return to claim the
12 reduction under this subdivision. For purposes of this subdivision, "qualified
13 tuition and related expenses" has the meaning provided in 26 U.S.C. 25A.

14 The deduction under this subdivision is:

- 15 (1) Up to four thousand dollars of qualified tuition and related expenses if
16 the federal adjusted gross income of the taxpayer is less than fifty
17 thousand dollars, for single filers, or less than one hundred thousand
18 dollars, for married persons filing a joint return.
- 19 (2) Up to two thousand dollars of tuition and related expenses if the federal
20 adjusted gross income of the taxpayer is from fifty thousand dollars to
21 seventy-five thousand dollars, for single filers, and from one hundred
22 thousand dollars to one hundred fifty thousand dollars for married
23 persons filing a joint return.

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

3 Reduced by the amount provided in this subdivision for higher education
4 qualified tuition and related expenses during the taxable year for attendance
5 by the taxpayer or spouse or dependent of the taxpayer at a higher education
6 institution in this state. Married taxpayers must file a joint return to claim the
7 reduction under this subdivision. For purposes of this subdivision, "qualified
8 tuition and related expenses" has the meaning provided in 26 U.S.C. 25A.

9 The deduction under this subdivision is:

- 10 (1) Up to four thousand dollars of qualified tuition and related expenses if
11 the federal adjusted gross income of the taxpayer is less than fifty
12 thousand dollars, for single filers, or less than one hundred thousand
13 dollars, for married persons filing a joint return.
- 14 (2) Up to two thousand dollars of qualified tuition and related expenses if
15 the federal adjusted gross income of the taxpayer is from fifty thousand
16 dollars to seventy-five thousand dollars, for single filers, and from one
17 hundred thousand dollars to one hundred fifty thousand dollars for
18 married persons filing a joint return.

19 **SECTION 3. EFFECTIVE DATE.** This Act is effective for taxable years beginning after
20 December 31, 2006.