

HOUSE BILL NO. 1448

Introduced by

Representatives Drovdal, Belter, Froelich

Senators Cook, Nodland, Triplett

1 A BILL for an Act to create and enact subsection 9 of section 57-38-01.29 of the North Dakota
2 Century Code, relating to the homestead income tax credit for agricultural property; to provide
3 an effective date; and to provide an expiration date.

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

5 **SECTION 1.** Subsection 9 of section 57-38-01.29 of the North Dakota Century Code is
6 created and enacted as follows:

- 7 9. a. For the first taxable year beginning after December 31, 2008, a person, trust,
8 or estate is entitled to a credit against the tax imposed under section 57-38-29
9 or 57-39-30.3 in the amount of ten percent of the property tax paid by the
10 taxpayer on agricultural property in this state for property tax years 2006 or
11 2007, or both. Agricultural property that was the basis for a credit received
12 under subsection 1, 2, or 3 of this section by a person, estate, or trust in a
13 previous income tax year may not be used to calculate the credit under this
14 subsection. For purposes of this subsection, "property tax" does not include
15 special assessments.
- 16 b. The amount of the credit under this subsection may not exceed one thousand
17 dollars for the 2006 or 2007 property tax that was paid for the agricultural
18 property, with a maximum credit allowed under this subsection of two
19 thousand dollars. The amount of the credit under this subsection may not
20 exceed the taxpayer's tax liability and any unused credit may be carried
21 forward for up to four tax years.
- 22 c. A person, trust, or estate may not request a certificate for the credit allowed
23 under this subsection.

1 d. An estate, partnership, subchapter S corporation, limited liability company, or
2 any other passthrough entity that owned and paid property tax on agricultural
3 property described in this subsection must be considered the taxpayer for
4 purposes of any credit limitation and the amount of the credit must be
5 determined at the passthrough entity level. The amount of the credit
6 determined at the entity level must be passed through to the partners,
7 shareholders, or members in proportion to their respective interests in the
8 passthrough entity.

9 **SECTION 2. EFFECTIVE DATE - EXPIRATION DATE.** This Act is effective for the
10 2009 tax year and is thereafter ineffective.