

**FIRST ENGROSSMENT  
with House Amendments**

Sixty-first  
Legislative Assembly  
of North Dakota

**ENGROSSED SENATE BILL NO. 2405**

Introduced by

Senator Anderson

Representatives Wall, Williams

1 A BILL for an Act to amend and reenact subdivision i of subsection 1 of section 57-38-01.3 of  
2 the North Dakota Century Code, relating to income tax treatment of the domestic reduction  
3 activities deduction for marketing cooperatives; and to provide an effective date.

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

5 **SECTION 1. AMENDMENT.** Subdivision i of subsection 1 of section 57-38-01.3 of the  
6 North Dakota Century Code is amended and reenacted as follows:

7 i. ~~Increased~~ Except for a cooperative described in this subsection, increased by  
8 the amount of the deduction allowable under section 199 of the Internal  
9 Revenue Code [26 U.S.C. 199], but only to the extent of the deduction taken  
10 to determine federal taxable income. For a cooperative that has elected to  
11 pass the deduction through to its patrons under section 199(d)(3), of the  
12 Internal Revenue Code [26 U.S.C. 199(d)(3)], the increase under this  
13 subsection does not include the amount passed through to its patrons.

14 **SECTION 2. EFFECTIVE DATE.** This Act is effective for taxable years ending after  
15 April 30, 2009.