

Sixty-first  
Legislative Assembly  
of North Dakota

**SENATE BILL NO. 2388**

Introduced by

Senators Schneider, Hogue

Representative DeKrey

A BILL for an Act to create and enact a new section to chapter 57-38 and a new subdivision to subsection 7 of section 57-38-30.3 of the North Dakota Century Code, relating to a corporate and individual income tax credit equal to salary and benefits paid by an employer to an employee called to active military duty as a member of a reserve or national guard component; and to provide an effective date.

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

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

**Employer tax credit for salary and benefits for deployed employees.**

1. A taxpayer who is an employer in this state is entitled to a credit against tax liability as determined under section 57-38-29, 57-38-30, or 57-38-30.3 in the amount of one hundred percent of salary and related benefits paid for employment in this state to any employee of the taxpayer during the period that employee is called to active military duty as a member of a reserve or national guard component. The amount of the tax credit may not exceed the amount of the taxpayer's state tax liability for the tax year.
2. The cumulative amount of tax credits which may be issued under this section in any one taxable year may not exceed two hundred thousand dollars. The tax commissioner shall establish a procedure by which, during the taxable year, the cumulative amount of tax credits available are equally apportioned among all taxpayers qualifying for the credit. If a taxpayer fails to use all of the taxpayer's apportioned tax credits during the taxable year, the tax commissioner may reapportion these unused tax credits to those taxpayers that have used all of their apportioned tax credits during the taxable year and would be able to claim more

1           tax credits. To the maximum extent possible, the tax commissioner shall establish  
2           the procedure described in this subsection in such a manner as to ensure that  
3           taxpayers are able to claim all the tax credits possible up to the cumulative amount  
4           of tax credits available for the taxable year.

5           **SECTION 2.** A new subdivision to subsection 7 of section 57-38-30.3 of the North  
6 Dakota Century Code is created and enacted as follows:

7           Employer tax credit for salary and benefits of deployed employees under  
8           section 1 of this Act.

9           **SECTION 3. EFFECTIVE DATE.** This Act is effective for taxable years beginning after  
10 December 31, 2008.