Sixty-first Legislative Assembly of North Dakota

SENATE BILL NO. 2347

Introduced by

Senator Cook

Representatives Drovdal, Weiler

- 1 A BILL for an Act to create and enact a new subsection to section 57-39.2-04 and a new
- 2 subsection to section 57-40.2-04 of the North Dakota Century Code, relating to gross receipts
- 3 from the sale of items delivered electronically; and to provide an effective date.

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

5 **SECTION 1.** A new subsection to section 57-39.2-04 of the North Dakota Century Code 6 is created and enacted as follows:

7	<u>Gro</u>	oss receipts from the sale of items delivered electronically, including specified				
8	digi	ital products. For purposes of this subsection:				
9	<u>a.</u>	"Specified digital products" means:				
10		<u>(1)</u>	"Digital audio-visual works" which means a series of related images			
11			which, when shown in succession, impart an impression of motion,			
12			together with accompanying sounds, if any;			
13		<u>(2)</u>	"Digital audio works" which means works that result from the fixation of			
14			a series of musical, spoken, or other sounds, including ringtones; and			
15		<u>(3)</u>	"Digital books" which means works that are generally recognized in the			
16			ordinary and usual sense as books.			
17	<u>b.</u>	<u>For p</u>	ourposes of the definition of "specified digital products", "transferred			
18		<u>elect</u>	ronically" means obtained by the purchaser by means other than tangible			
19		<u>stora</u>	<u>ge media.</u>			
20	<u>C.</u>	For p	purposes of the definition of "digital audio work", "ringtones" means			
21		<u>digiti</u> :	zed sound files that are downloaded onto a device and which may be			
22		used	to alert the customer with respect to a communication.			

Sixty-first Legislative Assembly

1	<u>d</u>	<u>.</u>	"Spec	ified digital products" may not be construed to include prewritten				
2			computer software as that term is defined in subdivision g of subsection 1 of					
3			<u>sectic</u>	n 57-39.2-02.1.				
4	SECTION 2. A new subsection to section 57-40.2-04 of the North Dakota Century Code							
5	5 is created and enacted as follows:							
6	G	Gros	oss receipts from the sale of items delivered electronically, including specified					
7	<u>d</u>	digital products. For purposes of this subsection:						
8	<u>a</u>	<u>a.</u>	"Specified digital products" means:					
9			<u>(1)</u>	"Digital audio-visual works" which means a series of related images				
10				which, when shown in succession, impart an impression of motion,				
11				together with accompanying sounds, if any;				
12			<u>(2)</u>	"Digital audio works" which means works that result from the fixation of				
13				a series of musical, spoken, or other sounds, including ringtones; and				
14			<u>(3)</u>	"Digital books" which means works that are generally recognized in the				
15				ordinary and usual sense as books.				
16	b	<u>).</u>	For purposes of the definition of "specified digital products", "transferred					
17			electr	onically" means obtained by the purchaser by means other than tangible				
18			storaç	ge media.				
19	<u>C</u>	<u>).</u>	For p	urposes of the definition of "digital audio works", "ringtones" means				
20			digitiz	ed sound files that are downloaded onto a device and which may be				
21			used	to alert the customer with respect to a communication.				
22	<u>d</u>	<u>.</u>	"Spec	ified digital products" may not be construed to include prewritten				
23			<u>comp</u>	uter software as that term is defined in subdivision g of subsection 1 of				
24			<u>sectic</u>	n 57-39.2-02.1.				
25	25 SECTION 3. EFFECTIVE DATE. This Act is effective for taxable events occurring after							
26	June 30, 2009	9.						