

Sixty-first  
Legislative Assembly  
of North Dakota

## HOUSE BILL NO.

Introduced by

Representative DeKrey

1 A BILL for an Act to amend and reenact subsection 45 of section 57-39.2-04 and section  
2 57-39.5-02 of the North Dakota Century Code, relating to an exemption from sales, use, and  
3 farm machinery gross receipts taxes for sales of irrigation equipment repair parts used  
4 exclusively for agricultural purposes; and to provide an effective date.

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

6 **SECTION 1. AMENDMENT.** Subsection 45 of section 57-39.2-04 of the North Dakota  
7 Century Code is amended and reenacted as follows:

8 45. Gross receipts from the sale or lease of farm machinery, farm machinery repair  
9 parts, ~~or~~ irrigation equipment, or irrigation equipment repair parts used exclusively  
10 for agricultural purposes.

11 **SECTION 2. AMENDMENT.** Section 57-39.5-02 of the North Dakota Century Code is  
12 amended and reenacted as follows:

13 **57-39.5-02. Imposition - Exemptions.** There is imposed a tax of three percent upon  
14 the gross receipts of retailers from all sales at retail, including the leasing or renting, of farm  
15 machinery or irrigation equipment used exclusively for agricultural purposes. Gross receipts  
16 from sales at retail of farm machinery or irrigation equipment are exempted from the tax  
17 imposed by this chapter when the sale, lease, or rental is made to a purchaser or lessor who is  
18 entitled to a sales and use tax exemption under subsection 6 or 12 of section 57-39.2-04 on  
19 otherwise taxable sales at retail. There are specifically exempted from the tax imposed by this  
20 chapter the gross receipts from the sale or lease of used farm machinery, farm machinery  
21 repair parts, ~~or~~ used irrigation equipment, or irrigation equipment repair parts used exclusively  
22 for agricultural purposes. For purposes of this section, "used" means:

23 1. Tax under this chapter or chapter 57-39.2 or 57-40.2 has been paid on a previous  
24 sale;

1           2.   Originally purchased outside this state and previously owned by a farmer; or

2           3.   Has been under lease or rental for three years or more.

3           **SECTION 3. EFFECTIVE DATE.** This Act is effective for taxable events occurring after

4   June 30, 2009.