

Sixty-first
Legislative Assembly
of North Dakota

SENATE BILL NO.

Introduced by

Senator Holmberg

1 A BILL for an Act to create and enact a new subdivision to subsection 2 of section 57-38-30.3 of
2 the North Dakota Century Code, relating to an income tax deduction for retired military
3 personnel pay; to amend and reenact subdivision k of subsection 1 of section 57-38-01.2 of the
4 North Dakota Century Code, relating to an income tax deduction for retired military personnel
5 pay; and to provide an effective date.

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

7 **SECTION 1. AMENDMENT.** Subdivision k of subsection 1 of section 57-38-01.2 of the
8 North Dakota Century Code is amended and reenacted as follows:

9 k. Reduced by any amount, ~~up to a maximum of five thousand dollars,~~ received
10 by ~~any person fifty years of age or older~~ the taxpayer as retired military
11 personnel pay for service in the United States army, navy, air force, coast
12 guard, or marine corps or reserve components thereof; ~~provided, however,~~
13 ~~that the adjustment provided in this subdivision shall be reduced by any~~
14 ~~amount received pursuant to the federal Social Security Act during the first~~
15 ~~three taxable years beginning after December 31, 2008, or during the first~~
16 ~~three taxable years the taxpayer receives retired military personnel pay as a~~
17 ~~resident of this state, whichever occurs later. A taxpayer not eligible for~~
18 ~~deduction of the full amount of retired military personnel pay under this~~
19 ~~subdivision is entitled to a reduction of up to five thousand dollars received~~
20 ~~during a taxable year as retired military personnel pay for service in the United~~
21 ~~States army, navy, air force, coast guard, or marine corps or reserve~~
22 ~~components of the United States army, navy, air force, coast guard, or marine~~
23 ~~corps.~~

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

3 Reduced by the amount received by the taxpayer as retired military personnel
4 pay for service in the United States army, navy, air force, coast guard, or
5 marine corps or reserve components of the United States army, navy, air
6 force, coast guard, or marine corps during the first three taxable years
7 beginning after December 31, 2008, or during the first three taxable years the
8 taxpayer receives retired military personnel pay as a resident of this state,
9 whichever occurs later. A taxpayer not eligible for deduction of the full
10 amount of retired military personnel pay under this subdivision is entitled to a
11 reduction of up to five thousand dollars received during a taxable year as
12 retired military personnel pay for service in the United States army, navy, air
13 force, coast guard, or marine corps or reserve components of the United
14 States army, navy, air force, coast guard, or marine corps.

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