

Sixty-first
Legislative Assembly
of North Dakota

SENATE BILL NO.

Introduced by

Senator Mathern

1 A BILL for an Act to create and enact a new section to chapter 57-38 and a new subdivision to
2 subsection 7 of section 57-38-30.3 of the North Dakota Century Code, relating and income tax
3 credit equal to a portion of a taxpayer's federal earned income credit; and to provide an
4 effective date.

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

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

8 **Earned income tax credit.** A taxpayer is entitled to a credit against tax liability as
9 determined under section 57-38-29 or 57-38-30.3 in the amount of twenty percent of the
10 amount of the earned income credit allowed against that taxpayer's federal income tax liability
11 under section 32 of the Internal Revenue Code for the taxable year in which the credit was
12 claimed against the taxpayer's federal income tax liability. If the amount of the credit allowed by
13 this section exceeds the taxpayer's income tax liability under this chapter, the excess amount
14 must be refunded to the taxpayer.

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

17 Earned income credit under section 1 of this Act.

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