

Sixty-first  
Legislative Assembly  
of North Dakota

Introduced by

Finance and Taxation Committee

(At the request of the Office of State Tax Commissioner)

1 A BILL for an Act to amend and reenact subsection 4 of section 57-02-27.2 of the North Dakota  
2 Century Code, relating to the deletion of obsolete dates and clarification of language.

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

4 **SECTION 1. AMENDMENT.** Subsection 4 of section 57-02-27.2 of the North Dakota  
5 Century Code is amended and reenacted as follows:

6 4. To find the "capitalized average annual gross return", the average annual gross  
7 return must be capitalized by a rate that is a ten-year average of the gross  
8 agribank mortgage rate of interest for North Dakota, but the rate used for  
9 capitalization under this section may not be less than ~~eight and nine-tenths percent~~  
10 ~~for taxable year 2005 and~~ eight and three-tenths percent ~~for taxable years after~~  
11 ~~2005~~. The ten-year average must be computed from the twelve years ending with  
12 the most recent year used under subdivision a of subsection 3, discarding the  
13 highest and lowest years, and the gross agribank mortgage rate of interest for each  
14 year must be determined in the manner provided in section 20.2032A-4(e)(1) of the  
15 United States treasury department regulations for valuing farm real property for  
16 federal estate tax purposes, except that the interest rate may not be adjusted as  
17 provided in section 20.2032A-4(e)(2).