

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 used exclusively for
4 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 used exclusively for agricultural purposes.

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

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

- 22 1. Tax under this chapter or chapter 57-39.2 or 57-40.2 has been paid on a previous
23 sale;
24 2. Originally purchased outside this state and previously owned by a farmer; or

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

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

3 June 30, 2009.