

Sixty-first
Legislative Assembly
of North Dakota

Introduced by

Senator Mathern

A BILL for an Act to create and enact a new section to chapter 57-38 and a new subdivision to subsection 7 of section 57-38-30.3 of the North Dakota Century Code, relating to individual and corporate income tax credit for employment of individuals with disabilities; and to provide an effective date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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

Tax credit for employment of individuals with disabilities.

1. As used in this subsection, unless the context otherwise requires:

- a. "Full-time employee job" means a permanent, rather than seasonal or part-time, employment position providing employment for at least twelve consecutive months to an individual for at least thirty-two hours per week.
- b. "Part-time employee job" means a part-time employment position providing employment for at least twelve consecutive months to an individual for at least ten hours per week.

2. A taxpayer that is an employer in this state is entitled to a tax credit as determined under this section against state income tax liability under section 57-38-29, 57-38-30, or 57-38-30.3. The amount of the credit to which a taxpayer is entitled is five thousand dollars for each net new full-time employee job and two thousand dollars for each net new part-time employee job for an individual with disabilities who is receiving state services directly related to such disabilities. The tax credit under this section is available if:

- a. The employment of the individual creates a net increase in the number of individuals with disabilities employed by the taxpayer within the ninety-day period immediately preceding the employment; and

b. The taxpayer provides the employment for at least twelve consecutive months and for no less than the minimal hours per week for respective full-time employee jobs and part-time employee jobs.

3. The credit allowed under this section for the employment of individuals with disabilities first applies in the tax year in which the taxpayer increases net new employment of such individuals by one or more and applies in subsequent tax years in which further net increases occur above the level of such employment established when the credit was last taken. The taxpayer is not required to make a capital investment in a qualified business enterprise to receive the credit allowed by this section for the employment of individuals with disabilities.

4. The credit provided under this section may be granted only to a taxpayer that participates in an existing employment incentive program pursuant to which individuals with disabilities are being served by the department of human services or job service North Dakota.

5. The taxpayer shall file a plan with the commissioner on a form prescribed by the commissioner to qualify for the credit. The taxpayer shall file the form on or before the last day of the tax year in which employment begins and shall state the number of individuals with disabilities newly employed.

6. The commissioner may conduct audits or require the filing of additional information necessary to substantiate or adjust the amount of credit allowed by this section and to determine that the taxpayer has complied with all statutory requirements so as to be entitled to the job tax credit.

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

Tax credit for employment of individuals with disabilities under section 1 of this Act.

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