

PROPOSED AMENDMENTS TO SENATE BILL NO. 2320

Page 1, line 1, after the first comma insert "57-35.3-05,"

Page 1, line 3, replace "elimination" with "adjustment"

Page 1, line 3, remove "to the state general fund"

Page 1, line 3, after the semicolon insert "to provide for a legislative management study;"

Page 1, line 11, replace "five" with "six and one-half"

Page 1, after line 12, insert:

**"SECTION 2. AMENDMENT.** Section 57-35.3-05 of the North Dakota Century Code is amended and reenacted as follows:

**57-35.3-05. Credits.**

1. a. There is allowed a credit against the tax imposed by sections 57-35.3-01 through 57-35.3-12 in an amount equal to fifty percent of the aggregate amount of charitable contributions made by the taxpayer during the taxable year to nonprofit private institutions of higher education located within the state or to the North Dakota independent college fund. The amount allowable as a credit under this subdivision for any taxable year may not exceed ~~five and seven-tenths~~four and six-tenths percent of the tax before credits allowed under this section, or two thousand five hundred dollars, whichever is less.
- b. There is allowed a credit against the tax imposed by sections 57-35.3-01 through 57-35.3-12 in an amount equal to fifty percent of the aggregate amount of charitable contributions made by the taxpayer during the taxable year to nonprofit private institutions of secondary education located within the state. The amount allowable as a credit under this subdivision for any taxable year may not exceed ~~five and seven-tenths~~four and six-tenths percent of the tax before credits allowed under this section, or two thousand five hundred dollars, whichever is less.
- c. For the purposes of this subsection, the term "nonprofit private institution of higher education" means only a nonprofit private educational institution located in North Dakota which normally maintains a regular faculty and curriculum and which normally has a regularly organized body of students in attendance at the place where its educational activities are carried on, and which regularly offers education at a level above the twelfth grade. The term "nonprofit private institution of secondary education" means only a nonprofit private educational institution located in North Dakota which normally maintains a regular faculty and curriculum approved by the department of public instruction and which normally has a regularly organized body of students in attendance at the place where its

educational activities are carried on, and which regularly offers education to students in the ninth through twelfth grades.

- d. For the purposes of this subsection, a taxpayer may elect to treat a contribution as made in the preceding taxable year if the contribution and election are made not later than the time prescribed for filing the return for the taxable year.
2. a. There is allowed a credit against the tax imposed by sections 57-35.3-01 through 57-35.3-12 in an amount equal to any overpayment of tax paid pursuant to chapter 57-35 or 57-35.1, for a taxable year beginning before January 1, 1997, to the extent that the overpayment would have been an allowable deduction from tax payable for the current taxable year, under section 57-35-12 or 57-35.1-07, if chapters 57-35 and 57-35.1 applied to the current taxable year. The amount allowable as a credit under this subsection for any taxable year may not exceed five-sevenths of the tax before credits allowed under this section.
- b. For purposes of determining distributions to and from the counties under section 57-35.3-09:
  - (1) The balance in the financial institution tax distribution fund and the amount of the payment received by each county from the state shall be determined as if any credit allowed under subdivision a had not been claimed and the full amount of the tax otherwise due had been timely paid;
  - (2) The credited amount must be deducted from the distributions that would otherwise be made to and from the county that received the tax overpayment until the sum of the deductions equals the credit; and
  - (3) The deductions from distributions made by a county to each distributee must be proportionate to the overpayment of tax received by each distributee.
3. There is allowed a credit against the tax imposed by sections 57-35.3-01 through 57-35.3-12 in an amount equal to fifty percent of the aggregate amount of contributions made by the taxpayer during the taxable year for tuition scholarships for participation in rural leadership North Dakota conducted through the North Dakota state university extension service. Contributions by a taxpayer may be earmarked for use by a designated recipient. The amount allowable as a credit under this subsection for any taxable year may not exceed ~~five and seven-tenths~~four and six-tenths percent of the tax before credits allowed under this section, or two thousand five hundred dollars, whichever is less."

Page 1, line 16, after "~~Two-sevenths~~" insert "Three-thirteenths"

Page 1, line 16, remove the overstrike over "~~of the tax before credits allowed under section-57-35.3-05, less the credit~~"

Page 1, remove the overstrike over lines 17 and 18

Page 1, line 19, remove the overstrike over "~~time for filing the return granted under section-57-35.3-06:-~~"

Page 1, line 19, after "~~Five-sevenths~~" insert "Ten-thirteenths"

Page 1, line 19, remove the overstrike over "of the"

Page 1, line 19, remove "The"

Page 2, line 4, remove the overstrike over "~~payable in the year the return is due~~"

Page 2, remove the overstrike over line 5

Page 2, line 6, remove the overstrike over "~~year after the return is due~~"

Page 2, line 6, remove "collected under this chapter"

Page 2, line 8, remove the overstrike over "~~attributable to each portion of the tax~~"

Page 2, line 8, remove the overstrike over "~~appropriate~~"

Page 2, line 8, remove "financial institution"

Page 2, line 9, remove "tax distribution"

Page 2, after line 9, insert:

**"SECTION 5. LEGISLATIVE MANAGEMENT STUDY - FINANCIAL INSTITUTIONS TAXATION.** During the 2011-12 interim, the legislative management shall consider studying the feasibility and desirability of revision of the financial institutions taxes, including the feasibility of taxing financial institutions under the state corporate income tax laws. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-third legislative assembly."

Renumber accordingly