

Sixty-second  
Legislative Assembly  
of North Dakota

**ENGROSSED SENATE BILL NO. 2360**

Introduced by

Senators Taylor, Robinson, O'Connell

Representatives Holman, Wall

1 A BILL for an Act to amend and reenact section 57-40.3-02.1 of the North Dakota Century  
2 Code, relating to motor vehicle excise tax for a schoolbus lease; and to provide an effective  
3 date.

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

5 **SECTION 1. AMENDMENT.** Section 57-40.3-02.1 of the North Dakota Century Code is  
6 amended and reenacted as follows:

7 **57-40.3-02.1. Tax imposed on motor vehicle lease.**

- 8 1. With respect to any lease for a term of one year or more of a motor vehicle with an  
9 actual vehicle weight of ten thousand pounds [4535.92 kilograms] or less, or a  
10 schoolbus, as defined in chapter 39-01, regardless of weight, all receipts due or  
11 consideration given or contracted to be given at the initiation of the lease and for the  
12 entire period of the lease, option to renew, or similar provision, or combination thereof,  
13 are deemed to have been paid or given and are subject to tax. Any tax due must be  
14 collected as provided in section 57-40.3-12 as of the date of first payment under the  
15 lease, option to renew, or similar provision, or combination thereof, or as of the date of  
16 registration under chapter 39-05. Lease consideration, when all or part of the lease is  
17 a gift or other agreement for nominal value, also includes the average value of similar  
18 motor vehicle leases established by standards and guides as determined by the  
19 director of the department of transportation.
- 20 2. With respect to any lease for a term of one year or more of a motor vehicle with an  
21 actual vehicle weight of ten thousand pounds [4535.92 kilograms] or less, originally  
22 leased outside this state and subsequently entering this state for use, any remaining  
23 receipts due or consideration to be given after the lessee brings the motor vehicle into  
24 this state are subject to tax as if the lessee had entered or exercised the lease, option

1           to renew, or similar provision, or combination thereof, for the first time in this state,  
2           notwithstanding section 57-40.3-09.

3       **SECTION 2. EFFECTIVE DATE.** This Act is effective for taxable events occurring after  
4   June 30, 2011.