

Sixty-second
Legislative Assembly
of North Dakota

SENATE BILL NO. 2320

Introduced by

Senators Nodland, Klein, Miller

Representatives Delmore, Porter, Streyle

1 A BILL for an Act to amend and reenact sections 57-35.3-03, 57-35.3-07, and 57-35.3-08 of the
2 North Dakota Century Code, relating to reduction of the rate of the financial institutions tax and
3 elimination of the allocation of the tax to the state general fund; and to provide an effective date.

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

5 **SECTION 1. AMENDMENT.** Section 57-35.3-03 of the North Dakota Century Code is
6 amended and reenacted as follows:

7 **57-35.3-03. Imposition and basis of tax.**

8 An annual tax is imposed upon each financial institution for the grant to it of the privilege of
9 transacting, or for the actual transacting by it, of business within this state during any part of
10 each tax year. The tax is based upon and measured by the taxable income of the financial
11 institution for the calendar year. The rate of tax is ~~seven~~five percent of taxable income, but the
12 amount of tax may not be less than fifty dollars.

13 **SECTION 2. AMENDMENT.** Section 57-35.3-07 of the North Dakota Century Code is
14 amended and reenacted as follows:

15 **57-35.3-07. Payment of tax.**

16 ~~Two-sevenths of the tax before credits allowed under section 57-35.3-05, less the credit~~
17 ~~allowed under subsection 1 of section 57-35.3-05, must be paid to the commissioner on or~~
18 ~~before April fifteenth of the year in which the return is due, regardless of any extension of the~~
19 ~~time for filing the return granted under section 57-35.3-06. Five-sevenths of the~~The tax before
20 credits allowed under section 57-35.3-05, less the credit allowed under subsection 2 of section
21 57-35.3-05, must be paid to the commissioner on or before January fifteenth of the year after
22 the return is due. Payment must be made by check, draft, or money order, payable to the
23 commissioner, or as prescribed by the commissioner under subsection 15 of section 57-01-02.

1 **SECTION 3. AMENDMENT.** Section 57-35.3-08 of the North Dakota Century Code is
2 amended and reenacted as follows:

3 **57-35.3-08. Disposition of tax.**

4 The commissioner shall deposit the portion of the tax ~~payable in the year the return is due~~
5 ~~in the general fund of the state treasury and shall deposit the portion of the tax payable in the~~
6 ~~year after the return is due~~collected under this chapter in the financial institution tax distribution
7 fund of the state treasury, ~~which is hereby created~~. Interest, penalty, and late tax payments
8 ~~attributable to each portion of the tax~~ must be deposited in the ~~appropriate~~financial institution
9 tax distribution fund.

10 **SECTION 4. EFFECTIVE DATE.** This Act is effective for taxable years beginning after
11 December 31, 2010.