

Sixty-second
Legislative Assembly
of North Dakota

SENATE BILL NO. 2292

Introduced by

Senators Hogue, Burckhard

Representatives Bellew, Dosch, Metcalf

1 A BILL for an Act to amend and reenact subsection 4 of section 57-39.2-04 of the North Dakota
2 Century Code, relating to the sales tax exemption for nonprofit entities; and to provide an
3 effective date.

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

5 **SECTION 1. AMENDMENT.** Subsection 4 of section 57-39.2-04 of the North Dakota
6 Century Code is amended and reenacted as follows:

7 4. a. Gross receipts from sales of tickets, or admissions to state, county, district, and
8 local fairs, ~~and the gross.~~

9 b. Gross receipts from educational, religious, or charitable activities, ~~unless the~~
10 ~~gross receipts from the event exceed five thousand dollars and the activities are~~
11 ~~held in a publicly owned facility,~~ when the entire amount of net receipts is
12 expended for educational, religious, or charitable purposes ~~and the gross.~~ The
13 exemption specified in this subsection does not apply to:

14 (1) Gross receipts from taxable sales in excess of ten thousand dollars per
15 event if the activities are held in a publicly owned facility; or

16 (2) Gross receipts from activities if the seller competes with retailers by
17 maintaining inventory, conducting retail sales on a regular basis from a
18 permanent or seasonal location, or soliciting sales from a website prepared
19 for or maintained by the seller.

20 c. Gross receipts derived by any public school district if such receipts are expended
21 in accordance with section 15.1-07-10 or 15.1-07-11. ~~This exemption does not~~
22 ~~apply to regular retail sales that are in direct competition with retailers.~~

23 d. ~~Gross receipts from educational, religious, or charitable activities held in a~~
24 ~~publicly owned facility are exempt if the sponsoring organization is of a nonprofit~~

- 1 music or dramatic arts organization that is exempt from federal income taxation
- 2 and is organized and operated for the presentation of live public performances of
- 3 musical or theatrical works on a regular basis.

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