

Sixty-third
Legislative Assembly
of North Dakota

HOUSE BILL NO. 1166

Introduced by

Representative Keiser

Senator Cook

1 A BILL for an Act to amend and reenact subsection 2 of section 40-63-04 of the North Dakota
2 Century Code, relating to the business or investment income tax exemption for the purchase,
3 lease, or rehabilitation of property within a renaissance zone; and to provide an effective date.

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

5 **SECTION 1. AMENDMENT.** Subsection 2 of section 40-63-04 of the North Dakota Century
6 Code is amended and reenacted as follows:

7 2. ~~Any~~A taxpayer that purchases, leases, rehabilitates, or makes leasehold
8 improvements to residential, public utility infrastructure, or commercial property for any
9 business or investment purpose as a zone project is exempt from any tax on income
10 derived from the business or investment locations within the zone for five taxable
11 years, beginning with the date of purchase, lease, or completion of rehabilitation.

12 a. The maximum amount of income that a taxpayer may exempt from tax under this
13 subsection for any taxable year is five hundred thousand dollars. The limitation in
14 this subdivision applies to the sum of the exempt income derived from the
15 taxpayer's business and investment interests in all zone projects.

16 b. If a zone project consists of a physical expansion of an existing building owned
17 and used by the taxpayer for business or investment purposes, the amount of
18 income exempt from tax under this subsection is limited to an amount equal to
19 the income derived from the business, or from the investment use of the building,
20 during the taxable year multiplied by a ratio equal to the square footage added by
21 the expansion divided by the total square footage of the building after expansion.

22 **SECTION 2. EFFECTIVE DATE.** This Act is effective for zone projects approved after
23 July 31, 2013.