

Sixty-fourth
Legislative Assembly
of North Dakota

HOUSE BILL NO. 1254

Introduced by

Representatives Dosch, Belter, Kasper, Klein, B. Koppelman, Larson, Meier, Owens, Porter,
Steiner, Streyle

Senator Wanzek

1 A BILL ~~for an Act to create and enact a new section to chapter 57-38 and a new subdivision to~~
2 ~~subsection 7 of section 57-38-30.3 of the North Dakota Century Code, relating to a parent's~~
3 ~~choice individual income tax credit for qualified educational expenses; and to provide an~~
4 ~~effective date for an Act to create and enact a new subdivision to subsection 2 of section~~
5 ~~57-38-30.3 of the North Dakota Century Code, relating to a parent's choice individual income~~
6 ~~tax deduction for qualified educational expenses; and to provide an effective date.~~

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

8 ~~— **SECTION 1.** A new section to chapter 57-38 of the North Dakota Century Code is created~~
9 ~~and enacted as follows:~~

10 ~~— **Parent's choice income tax credit for qualified educational expenses.**~~

11 ~~— 1. A taxpayer is allowed a credit against the tax imposed under section 57-38-30.3 in the~~
12 ~~amount of qualified educational expenses paid by the taxpayer for each qualifying~~
13 ~~child during the taxable year.~~

14 ~~— 2. The amount of the credit under this section is limited to two thousand five hundred~~
15 ~~dollars per qualifying child per taxable year. In the case of a married individual filing a~~
16 ~~separate return, the credit under this section is limited to one thousand two hundred~~
17 ~~fifty dollars per qualifying child per taxable year.~~

18 ~~— 3. For purposes of this section:~~

19 ~~— a. "Qualified educational expenses" means the amount expended for each~~
20 ~~qualifying child for books and tuition relating to the child's education at a~~
21 ~~nonpublic school.~~

~~b. "Qualifying child" means a child who was a nonpublic school student under the age of eighteen at the end of the taxable year. A qualifying child must be related to the taxpayer by blood or marriage.~~

~~4. The credit allowed under this section may not exceed a taxpayer's liability as determined under this chapter for the taxable year.~~

~~5. The aggregate amount of credits allowed under this section may not exceed ten million dollars in any calendar year. Credits subject to this limitation must be determined based upon the date of the qualified expenditure.~~

~~6. To receive the tax credit provided under this section, a taxpayer shall claim the credit in the form and manner prescribed by the tax commissioner.~~

~~**SECTION 2.** A new subdivision to subsection 7 of section 57-38-30.3 of the North Dakota Century Code is created and enacted as follows:~~

~~Parent's choice income tax credit for qualified educational expenses under section 1 of this Act.~~

~~**SECTION 3. EFFECTIVE DATE.** This Act is effective for taxable years beginning after December 31, 2014.~~

SECTION 1. A new subdivision to subsection 2 of section 57-38-30.3 of the North Dakota Century Code is created and enacted as follows:

Reduced by the amount up to a maximum of five thousand dollars, or two thousand five hundred dollars in the case of married individuals filing separately, of qualified educational expenses paid by the taxpayer for each qualifying child during the taxable year. This adjustment does not apply to individuals with taxable income exceeding sixty thousand dollars during the taxable year or to married individuals filing jointly with taxable income exceeding one hundred twenty thousand dollars during the taxable year. The adjustment under this subdivision shall be claimed in the form and manner prescribed by the tax commissioner. For purposes of this subdivision:

(1) "Qualified educational expenses" means the amount expended for each qualifying child for books and tuition relating to the child's education at a nonpublic school.

1 (2) "Qualifying child" means a child who was a nonpublic school student under
2 the age of eighteen at the end of the taxable year. A qualifying child must be
3 related to the taxpayer by blood, marriage, former marriage, adoption, or
4 other legal guardianship.

5 **SECTION 2. EFFECTIVE DATE.** This Act is effective for taxable years beginning after
6 December 31, 2014.