

TAXATION

CHAPTER 564

SENATE BILL NO. 2351

(Senators Hogue, Dever, Schaible)
(Representatives Louser, Nathe, Steiner)
(Approved by the Delayed Bills Committee)

AN ACT to amend and reenact subsection 4 of section 57-38-01.28 and subdivision t of subsection 2 of section 57-38-30.3 of the North Dakota Century Code, relating to the marriage penalty credit and an income tax exclusion for social security benefits; and to provide an effective date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Subsection 4 of section 57-38-01.28 of the North Dakota Century Code is amended and reenacted as follows:

4. For purposes of this section:

a. "Qualifying income" means the sum of the following, to the extent included in North Dakota taxable income:

(1) Earned income as defined in section 32(c)(2) of the Internal Revenue Code; and

(2) Income received from a retirement pension, profit-sharing, stock bonus, or annuity plan; ~~and~~

~~(3) Social security benefits as defined in section 86(d)(1) of the Internal Revenue Code to the extent included in North Dakota taxable income.~~

b. "Qualifying income of the lesser-earning spouse" means the qualifying income of the spouse with the lesser amount of qualifying income for the taxable year minus the sum of:

(1) The amount for one exemption under section 151(d) of the Internal Revenue Code; and

(2) One-half of the amount of the standard deduction under section 63(c)(2)(A)(4) of the Internal Revenue Code.

³ **SECTION 2. AMENDMENT.** Subdivision t of subsection 2 of section 57-38-30.3 of the North Dakota Century Code is amended and reenacted as follows:

³ Section 57-38-30.3 was also amended by section 2 of House Bill No. 1515, chapter 565.

- t. ~~For taxpayers with federal adjusted gross income of fifty thousand dollars or less, or one hundred thousand dollars or less if married filing jointly, reduced~~ Reduced by an amount equal to ~~of~~ social security benefits included in a taxpayer's federal adjusted gross income under section 86 of the Internal Revenue Code.

SECTION 3. EFFECTIVE DATE. This Act is effective for taxable years beginning after December 31, 2020.

Approved November 12, 2021

Filed November 12, 2021

CHAPTER 565

HOUSE BILL NO. 1515

(Representatives Heinert, Bosch, Klemin, Meier, Nehring, Porter)
(Senators Bell, Dever, Larson, Poolman)

AN ACT to create and enact a new section to chapter 57-38 and a new subdivision to subsection 7 of section 57-38-30.3 of the North Dakota Century Code, relating to an individual income tax credit; to provide an effective date; and to provide an expiration date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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

Individual income tax credit.

A resident of this state is entitled to a nonrefundable credit against the resident's income tax liability as determined under section 57-38-30.3 for the taxable year. The maximum credit that may be claimed by a resident under this section for the taxable year is three hundred fifty dollars. The amount claimed may not exceed the amount of the resident's income tax liability as determined under this chapter for the taxable year. Any credit amount exceeding a resident's income tax liability for the taxable year may not be claimed as a carryback or carryforward.

4 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:

Individual income tax credit under section 1 of this Act.

SECTION 3. EFFECTIVE DATE - EXPIRATION DATE. This Act is effective for the first two taxable years beginning after December 31, 2020, and is thereafter ineffective.

Approved November 12, 2021

Filed November 12, 2021

⁴ Section 57-38-30.3 was also amended by section 2 of Senate Bill No. 2351, chapter 564.