

## PROPOSED AMENDMENTS TO

### SENATE BILL NO. 2282

Introduced by

Senators Hogan, Weber, Wobbema

Representatives Mitskog, O'Brien

*In place of the amendments (25.1035.01002) adopted by the House, Senate Bill No. 2282 is amended by amendment (25.1035.01004) as follows:*

1 A BILL for an Act to create and enact a new section to chapter 57-38 and new subdivision to  
2 subsection 7 of section 57-38-30.3 of the North Dakota Century Code, relating to an income tax  
3 credit for child care contributions provided by qualified employers; and to provide an effective  
4 date.

#### 5 BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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

#### 8 **Child care contribution credit.**

- 9 1. A taxpayer that is a qualified employer is entitled to a credit against the income tax  
10 liability under section 57-38-30 or 57-38-30.3 ~~as provided in this section. The total~~  
11 ~~credit available with respect to each qualifying employee is equal to thirty percent of~~  
12 ~~the taxpayer's aggregate~~in the amount of up to five hundred dollars in child care  
13 contributions ~~toward child care costs of~~made by the qualified employer for each  
14 qualified ~~employees paid~~employee during the taxable year ~~in which the credit is~~  
15 ~~claimed~~. The credit must be claimed for the taxable year in which the child care  
16 contributions are made.
- 17 2. The credit allowed under this section may not exceed the liability for tax under this  
18 chapter. Any credit amount exceeding a taxpayer's liability for the taxable year may not  
19 be claimed as a carryback or carryforward.

- 1       3. A passthrough entity entitled to the credit under this section must be considered to be  
2       the taxpayer for purposes of this section and the amount of the credit allowed must be  
3       determined at the passthrough entity level. The amount of the total credit determined  
4       at the passthrough entity level must be allowed to the partners, shareholders, or  
5       members in proportion to their respective interests in the passthrough entity.
- 6       4. To receive the tax credit provided under this section, a taxpayer shall claim the credit  
7       in the form and manner prescribed by the tax commissioner. The tax commissioner  
8       shall prescribe, design, and make available all forms necessary to effectuate this  
9       section.
- 10      5. For purposes of this section:
- 11           a. ~~"Aggregate child care contributions" means the total amount of child care~~  
12           ~~contributions made by a qualified employer to all qualified employees during the~~  
13           ~~taxable year, limited to the first five hundred dollars in child care contributions per~~  
14           ~~qualifying employee.~~
- 15           ~~b.~~ "Child care costs" means costs incurred by an employee for early childhood  
16           services rendered by a child care provider, which are incurred to enable the  
17           employee to be gainfully employed by an employer.
- 18           ~~e.b.~~ "Child care contribution" means a payment made to a child care provider by a  
19           qualified employer to subsidize a qualified employee's child care costs and a  
20           payment made to a qualified employee for reimbursement of the qualified  
21           employee's child care costs.
- 22           ~~d.c.~~ "Child care provider" means an early childhood services provider licensed under  
23           chapter 50-11.1 or a substantially similar provider that is licensed by another  
24           state and provides early childhood services within ten miles of this state.
- 25           ~~e.d.~~ "Early childhood services" has the same meaning as in section 50-11.1-02.
- 26           ~~f.e.~~ "Qualified employee" means an individual employed by the qualified employer  
27           claiming the credit under this section.
- 28           ~~g.f.~~ "Qualified employer" means an employer that, in the taxable year for which the  
29           employer claimed the credit under this section:
- 30           (1) Made a child care contribution; and

- 1                   (2) Provided an equal opportunity to all employees that have child care costs to  
2                   receive an equal child care contribution from the employer during the  
3                   taxable year.

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

6                   Child care contribution credit under section 1 of this Act .

7           **SECTION 3. EFFECTIVE DATE.** This Act is effective for taxable years beginning after  
8 December 31, 2024.