

Fifty-fifth
Legislative Assembly
of North Dakota

HOUSE BILL NO. 1401

Introduced by

Representatives Poolman, R. Kelsch, Glassheim

Senators Krebsbach, St. Aubyn, Traynor

1 A BILL for an Act to amend and reenact subsection 4 of section 57-38.5-01 of the North Dakota
2 Century Code, relating to the definition of a qualified business for purposes of the seed capital
3 investment tax credit.

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

5 **SECTION 1. AMENDMENT.** Subsection 4 of section 57-38.5-01 of the North Dakota
6 Century Code is amended and reenacted as follows:

- 7 4. "Qualified business" means a primary sector business that:
- 8 a. Is incorporated, or its satellite operation is incorporated, in North Dakota as a
9 for-profit corporation or is a partnership, limited partnership, limited liability
10 company, limited liability partnership, or joint venture;
 - 11 b. Is in compliance with the requirements for filings with the securities
12 commissioner under the securities laws of this state;
 - 13 c. Has North Dakota residents as a majority of its employees in the North
14 Dakota principal office or the North Dakota satellite operation;
 - 15 d. Has its principal office in this state and has the majority of its business activity
16 performed in this state, except sales activity, or has a significant operation in
17 North Dakota that has or is projected to have more than twenty-five
18 employees or two hundred fifty thousand dollars of sales annually; and
 - 19 e. Has a majority of its ownership interests owned by one or more individuals for
20 whom operation of the business is their full-time professional activity;
 - 21 f. ~~Had gross sales receipts of less than two million dollars in its most recently~~
22 ~~ended taxable year.~~