

HOUSE BILL NO. 1106

Introduced by

Finance and Taxation Committee

(At the request of the Tax Commissioner)

1 A BILL for an Act to amend and reenact subsection 14 of section 57-01-02 and subdivision q of
2 subsection 1 of section 57-38-01.2 of the North Dakota Century Code, relating to the elimination
3 of obsolete or incorrect references in the income tax laws relating to offers in compromise and
4 the Myron G. Nelson Fund, Incorporated; and to repeal subdivision p of subsection 1 of section
5 57-38-01.2 and subdivision h of subsection 1 of section 57-38-01.3 of the North Dakota Century
6 Code, relating to obsolete income tax law references to the Myron G. Nelson Fund,
7 Incorporated.

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

9 **SECTION 1. AMENDMENT.** Subsection 14 of section 57-01-02 of the 1997
10 Supplement to the North Dakota Century Code is amended and reenacted as follows:

11 14. May waive, upon a showing of good cause, any and all tax due. A lien must have
12 been filed against the debtor's property prior to the request for a waiver. The
13 attorney general shall approve the waiver. Notwithstanding the provisions of this
14 section, if a debtor and the internal revenue service enter into an offer ~~and in~~
15 compromise pursuant to section 7122 of the Internal Revenue Code [26 U.S.C.
16 7122], as amended, the tax commissioner may reduce a debtor's individual income
17 tax liability. However, if the federal offer ~~and in~~ compromise, for any reason, is
18 subsequently declared void by the internal revenue service, the debtor is liable for
19 the original amount of tax due.

20 **SECTION 2. AMENDMENT.** Subdivision q of subsection 1 of section 57-38-01.2 of the
21 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

22 q. Reduced by the amount, up to a maximum of five thousand dollars for any
23 person or ten thousand dollars if a joint return is filed, of investment made
24 after January 1, 1989, in ~~either~~ a venture capital corporation organized

1 pursuant to chapter 10-30.1 ~~or in the Myron G. Nelson Fund, Incorporated, or~~
2 ~~a separate legal entity such as a limited partnership or limited liability~~
3 ~~company created by the Myron G. Nelson Fund, Incorporated, as an affiliate,~~
4 ~~which entities are organized pursuant to chapter 10-30.2.~~ This deduction may
5 only be taken in the tax year in which the taxpayer qualifies for a credit
6 pursuant to chapter 10-30.1 ~~or 10-30.2.~~ However, a taxpayer that makes an
7 investment in a venture capital corporation on or after July 1, 1989, is only
8 entitled to a deduction if the venture capital corporation uses the funds it
9 receives from the taxpayer to invest or provide financing to qualified entities,
10 which entities do not include a business or an affiliate of a business that owns
11 tax-exempt securities.

12 **SECTION 3. REPEAL.** Subdivision p of subsection 1 of section 57-38-01.2 and
13 subdivision h of subsection 1 of section 57-38-01.3 of the 1997 Supplement to the North Dakota
14 Century Code are repealed.