

Fifty-sixth Legislative Assembly, State of North Dakota, begun in the Capitol in the City of Bismarck, on Tuesday, the fifth day of January, one thousand nine hundred and ninety-nine

HOUSE BILL NO. 1106
(Finance and Taxation Committee)
(At the request of the Tax Commissioner)

AN ACT to amend and reenact subsection 14 of section 57-01-02 and subdivision q of subsection 1 of section 57-38-01.2 of the North Dakota Century Code, relating to the elimination of obsolete or incorrect references in the income tax laws relating to offers in compromise and the Myron G. Nelson Fund, Incorporated; and to repeal subdivision p of subsection 1 of section 57-38-01.2 and subdivision h of subsection 1 of section 57-38-01.3 of the North Dakota Century Code, relating to obsolete income tax law references to the Myron G. Nelson Fund, Incorporated.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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

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

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

- q. Reduced by the amount, up to a maximum of five thousand dollars for any person or ten thousand dollars if a joint return is filed, of investment made after January 1, 1989, in ~~either a venture capital corporation organized pursuant to chapter 10-30.1 or in the Myron G. Nelson Fund, Incorporated, or a separate legal entity such as a limited partnership or limited liability company created by the Myron G. Nelson Fund, Incorporated, as an affiliate, which entities are organized pursuant to chapter 10-30.2.~~ This deduction may only be taken in the tax year in which the taxpayer qualifies for a credit pursuant to chapter 10-30.1 ~~or 10-30.2.~~ However, a taxpayer that makes an investment in a venture capital corporation on or after July 1, 1989, is only entitled to a deduction if the venture capital corporation uses the funds it receives from the taxpayer to invest or provide financing to qualified entities, which entities do not include a business or an affiliate of a business that owns tax-exempt securities.

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

Speaker of the House

President of the Senate

Chief Clerk of the House

Secretary of the Senate

This certifies that the within bill originated in the House of Representatives of the Fifty-sixth Legislative Assembly of North Dakota and is known on the records of that body as House Bill No. 1106.

House Vote: Yeas 96 Nays 0 Absent 2

Senate Vote: Yeas 49 Nays 0 Absent 0

Chief Clerk of the House

Received by the Governor at _____ M. on _____, 1999.

Approved at _____ M. on _____, 1999.

Governor

Filed in this office this _____ day of _____, 1999,

at _____ o'clock _____ M.

Secretary of State