

**SENATE BILL NO. 2411**

Introduced by

Senators Bercier, Nichols, O'Connell

Representatives Boucher, Froelich

1 A BILL for an Act to create and enact a new subdivision to subsection 1 of section 57-38-01.2, a  
2 new subdivision to subsection 2 of section 57-38-30.3, and a new section to chapter 57-38 of  
3 the North Dakota Century Code, relating to exemption from income taxes of income of enrolled  
4 tribal members from reservation sources and waiver of certain state income tax, penalty, and  
5 interest obligations of enrolled tribal members; and to provide an effective date.

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

7 **SECTION 1.** A new subdivision to subsection 1 of section 57-38-01.2 of the North  
8 Dakota Century Code is created and enacted as follows:

9 Reduced by the amount of income of a taxpayer, who is an enrolled member  
10 of a federally recognized Indian tribe, from activities or sources within the  
11 boundaries of any reservation in this state.

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

14 Reduced by the amount of income of a taxpayer, who is an enrolled member  
15 of a federally recognized Indian tribe, from activities or sources within the  
16 boundaries of any reservation in this state.

17 **SECTION 3.** A new section to chapter 57-38 of the North Dakota Century Code is  
18 created and enacted as follows:

19 **Tribal member income tax, penalty, and interest waiver.** The tax commissioner shall  
20 waive all income taxes and associated penalty and interest under this chapter attributable to  
21 taxes on income of a taxpayer if all of the following apply:

22 1. The taxes are payable or were paid by a taxpayer who is, or at the time the income  
23 was earned was, an enrolled tribal member of a federally recognized Indian tribe  
24 and the taxes apply to income of that taxpayer from activities or sources on a

1 reservation in this state where that taxpayer is, or was, not an enrolled tribal  
2 member.

3 2. Any taxes paid by the taxpayer eligible for the waiver under this section were for  
4 taxes on income earned after 1996.

5 3. The taxpayer applies to the tax commissioner for a waiver under this section before  
6 July 1, 2004.

7 **SECTION 4. EFFECTIVE DATE.** Sections 1 and 2 of this Act are effective for taxable  
8 years beginning after December 31, 2002. Section 3 of this Act is effective for taxable years  
9 beginning before January 1, 2004.