

Fifty-eighth
Legislative Assembly
of North Dakota

ENGROSSED 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,
2 a 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.** Notwithstanding any other
20 law, the tax commissioner shall waive all income taxes and associated penalty and interest
21 under this chapter attributable to 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
6 before 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.