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Fifty-eighth
Legislative Assembly **SENATE BILL NO. 2226**
of North Dakota

Introduced by

Senators Every, Fairfield, Mathern, Thane

Representative Clark

1 A BILL for an Act to create and enact a new section to chapter 57-38 and a new subsection to

2 section 57-38-30.3 of the North Dakota Century Code, relating to an income tax credit for

3 dependent care expenses; and to provide an effective date.

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

5   **SECTION 1.** A new section to chapter 57-38 of the North Dakota Century Code is

6 created and enacted as follows:

7   **Dependent care credit.** A taxpayer is entitled to a tax credit against tax liability as

8 determined under section 57-38-29 or 57-38-30.3 based on a percentage of the federal

9 dependent care credit to which the taxpayer was entitled under section 21 of the Internal

10 Revenue Code [26 U.S.C. 21] for the same taxable year, without regard to whether the

11 taxpayer claimed this federal income tax credit. The applicable percentage of the federal credit

12 to be allowed as a credit under this section is:

13   1.   Fifty percent, if the taxpayer's adjusted gross income is less than twenty-five

14   thousand dollars.

15   2.   Thirty percent, if the taxpayer's adjusted gross income is twenty-five thousand

16   dollars or more but less than thirty-five thousand dollars.

17   3.   Twenty percent, if the taxpayer's adjusted gross income is thirty-five thousand

18   dollars or more but not more than sixty thousand dollars.

19   For purposes of this section, the "taxpayer's adjusted gross income" means adjusted

20 gross income as determined for purposes of section 21 of the Internal Revenue Code.

21   The credit under this section may not exceed the taxpayer's tax liability for the taxable

22 year.

23   **SECTION 2.** A new subsection to section 57-38-30.3 of the North Dakota Century Code

24 is created and enacted as follows:

1   A taxpayer filing a return under this section is entitled to the credit provided under

2   section 1 of this Act.

3   **SECTION 3. EFFECTIVE DATE.** This Act is effective for years beginning after

4 December 31, 2002.