

February 8, 2005

PROPOSED AMENDMENTS TO SENATE BILL NO. 2281

Page 1, line 1, replace the second "and" with ", 57-38.6-02," and after "57-38.6-03" insert ", and 57-38.6-04"

Page 2, line 3, after "subsection" insert ", but not a business that was previously certified as a qualified business under chapter 57-38.5."

Page 2, after line 5, insert:

**"SECTION 2. AMENDMENT.** Section 57-38.6-02 of the North Dakota Century Code is amended and reenacted as follows:

**57-38.6-02. Certification - Investment reporting by qualified businesses.**

The director shall certify whether a business that has requested to become a qualified business meets the requirements of subsection 3 of section 57-38.6-01. The director shall establish the necessary forms and procedures for certifying qualified businesses. The director is not required to recertify a business as a qualified business under this chapter if the business was previously certified by the director as a qualified business under chapter 57-38.5."

Page 3, line 10, after the period insert "An investment placed in escrow does not qualify for the credit."

Page 3, after line 22, insert:

- "8. An investment in an ethanol production facility made before January 1, 2005, that did not qualify for the tax credit because of the two million five hundred thousand dollar credit limitation in section 57-38.5-02, is entitled to a credit against state income tax liability under section 57-38-29 or 57-38-30.3 in the amount of thirty percent of the amount invested by the taxpayer in a qualified business subject to the following:
- a. The aggregate investment for which a taxpayer may obtain a credit under this subsection is not less than five thousand dollars and not more than two hundred fifty thousand dollars.
  - b. In any taxable year, a taxpayer may claim no more than one-fourth of the credit under this subsection which is attributable to an investment made before January 1, 2005.
  - c. Any amount of credit under this subsection not allowed because of the limitations in this section may be carried forward for up to five taxable years after the taxable year in which the investment was made.

**SECTION 4. AMENDMENT.** Section 57-38.6-04 of the North Dakota Century Code is amended and reenacted as follows:

**57-38.6-04. Taxable year for agricultural business investment tax credit.**

The tax credit under section 57-38.6-03 accrues to the taxpayer for the taxable year in

which ~~full consideration for~~ the investment in the qualified business was received by the qualified business."

Page 3, line 23, replace "This" with "Section 1 of this Act is effective for any business certified by the director after December 31, 2004. Sections 2, 3, and 4 of this" and replace "is" with "are"

Renumber accordingly