

HOUSE BILL NO. 1412

Introduced by

Representative N. Johnson

1 A BILL for an Act to create and enact a new subsection to section 57-38-30.5 of the North
2 Dakota Century Code, relating to the applicability of the research and experimental
3 expenditures tax credit to a passthrough entity; and to provide an effective date.

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

5 **SECTION 1.** A new subsection to section 57-38-30.5 of the North Dakota Century Code
6 is created and enacted as follows:

7 A partnership, subchapter S corporation, limited partnership, limited liability
8 company, or any other passthrough entity entitled to the credit under this section
9 must be considered to be the taxpayer for purposes of calculating the credit. The
10 amount of the allowable credit must be determined at the passthrough entity level.
11 The total credit determined at the entity level must be passed through to the
12 partners, shareholders, or members in proportion to their respective interests in the
13 passthrough entity.

14 **SECTION 2. EFFECTIVE DATE.** This Act is effective for taxable years beginning after
15 December 31, 2006.