

Sixty-first
Legislative Assembly
of North Dakota

ENGROSSED SENATE BILL NO. 2383

Introduced by

Senators Fiebiger, Mathern, Oehlke

Representatives N. Johnson, Onstad

1 A BILL for an Act to create and enact a new section to chapter 57-38 and a new subdivision to
2 subsection 7 of section 57-38-30.3 of the North Dakota Century Code, relating to an income tax
3 credit for employment of individuals with disabilities; 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 **Tax credit for employment of individuals with disabilities.**

- 8 1. As used in this subsection, unless the context otherwise requires, "individual with
9 disabilities" means an individual with a disability as defined under the Americans
10 with Disabilities Act of 1990, and as amended by the ADA Amendments Act of
11 2008 [Pub. L. 110-325, 122 Stat. 3553], and who is receiving services directly
12 related to the disabilities.
- 13 2. A taxpayer that is an employer in this state is entitled to a tax credit as determined
14 under this section against state income tax liability under section 57-38-29,
15 57-38-30, or 57-38-30.3 for the employment of an individual with disabilities. The
16 amount of the credit to which a taxpayer is entitled is fifty percent of wages paid up
17 to a maximum of five thousand dollars for each net new employee job for an
18 individual with disabilities. The tax credit under this section is available if the
19 employment of the individual creates a net increase in the number of individuals
20 with disabilities employed by the taxpayer from the number of individuals with
21 disabilities employed by the taxpayer at the end of the preceding taxable year.
- 22 3. The taxpayer may claim the credit in the first tax year beginning after the individual
23 hired has completed the employee's first twelve consecutive months of
24 employment with the taxpayer and applies in subsequent tax years in which further

1 net increases occur above the level of such employment established when the
2 credit was last taken.

3 4. The credit provided under this section may be granted only to a taxpayer that
4 participates in an existing employment program under which individuals with
5 disabilities are being served by the department of human services.

6 5. A partnership, subchapter S corporation, limited partnership, or limited liability
7 company, or any other entity treated as a passthrough entity for federal income tax
8 purposes must be considered to be the taxpayer for purposes of this section. The
9 amount of the credit determined at the entity level must be passed through to the
10 partners, shareholders, or members in proportion to their respective interests in the
11 passthrough entity.

12 **SECTION 2.** A new subdivision to subsection 7 of section 57-38-30.3 of the North
13 Dakota Century Code is created and enacted as follows:

14 Tax credit for employment of individuals with disabilities under section 1 of
15 this Act.

16 **SECTION 3. EFFECTIVE DATE.** This Act is effective for taxable years beginning after
17 December 31, 2008.