

SENATE BILL NO. 2388

Introduced by

Senators Schneider, Hogue

Representative DeKrey

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 a corporate
3 and individual income tax credit equal to salary and benefits paid by an employer to an
4 employee called to active military duty as a member of a reserve or national guard component;
5 and to provide an effective date.

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

7 **SECTION 1.** A new section to chapter 57-38 of the North Dakota Century Code is
8 created and enacted as follows:

9 **Employer tax credit for salary and benefits for deployed employees.**

- 10 1. A taxpayer who is an employer in this state is entitled to a credit against tax liability
11 as determined under section 57-38-29, 57-38-30, or 57-38-30.3 in the amount of
12 one hundred percent of salary and related benefits paid for employment in this
13 state to any employee of the taxpayer during the period that employee is called to
14 active military duty as a member of a reserve or national guard component. The
15 amount of the tax credit may not exceed the amount of the taxpayer's state tax
16 liability for the tax year.
- 17 2. The cumulative amount of tax credits which may be issued under this section in
18 any one taxable year may not exceed two hundred thousand dollars. The tax
19 commissioner shall establish a procedure by which, during the taxable year, the
20 cumulative amount of tax credits available are equally apportioned among all
21 taxpayers qualifying for the credit. If a taxpayer fails to use all of the taxpayer's
22 apportioned tax credits during the taxable year, the tax commissioner may
23 reapportion these unused tax credits to those taxpayers that have used all of their
24 apportioned tax credits during the taxable year and would be able to claim more

1 tax credits. To the maximum extent possible, the tax commissioner shall establish
2 the procedure described in this subsection in such a manner as to ensure that
3 taxpayers are able to claim all the tax credits possible up to the cumulative amount
4 of tax credits available for the taxable year.

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

7 Employer tax credit for salary and benefits of deployed employees under
8 section 1 of this Act.

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