

Introduced by

Senator Wardner

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 a portion of higher education 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 created  
6 and enacted as follows:

7 **Higher education credit.**

8 A taxpayer is entitled to a credit against tax liability determined under section 57-38-30.3 in  
9 the amount of fifteen percent of the credit determined on federal form 8863 for the taxpayer's  
10 federal income tax return for the taxable year if the taxpayer or the dependent of the taxpayer  
11 from whom the credit is derived is attending a college or university in this state. Before applying  
12 the percentage of the credit allowed under this section, the amount of the federal credit for  
13 which the taxpayer is eligible must be multiplied by a percentage determined by dividing the  
14 taxpayer's North Dakota taxable income by the taxpayer's federal taxable income.

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

17 Higher education credit under section 1 of this Act.

18 **SECTION 3. EFFECTIVE DATE.** This Act is effective for taxable years beginning after  
19 December 31, 2010.