

Introduced by

Senators Mathern, Oehlke, Robinson

Representatives Guggisberg, Hogan

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 created
6 and enacted as follows:

7 **Tax credit for employment of individuals with disabilities.**

- 8 1. As used in this section, "individual with disabilities" means an individual with a
9 disability as defined under the Americans with Disabilities Act of 1990, and as
10 amended by the Americans with Disabilities Act Amendments Act of 2008
11 [Pub. L. 110-325, 122 Stat. 3553], and who is receiving services directly related to the
12 disabilities.
- 13 2. A taxpayer who 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 57-38-30 or
15 57-38-30.3 for the employment of an individual with disabilities. The amount of the
16 credit to which a taxpayer is entitled is fifty percent of up to five thousand dollars of
17 wages paid in the first year, thirty percent of up to five thousand dollars of wages paid
18 in the second year, and ten percent of up to five thousand dollars of wages paid in the
19 third year of employment of an individual with disabilities. The tax credit under this
20 section is available if the employment of the individual creates a net increase in the
21 number of individuals with disabilities employed by the taxpayer from the number of
22 individuals with disabilities employed by the taxpayer at the end of the preceding
23 taxable year.

1 3. The taxpayer may claim the credit in the first tax year beginning after the individual
2 hired has completed the employee's first twelve consecutive months of employment by
3 the taxpayer and applies in subsequent tax years in which further net increases occur
4 above the level of such employment established when the credit was last taken.

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

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

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

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