

**HOUSE BILL NO. 1102**

Introduced by

Finance and Taxation Committee

(At the request of the Tax Commissioner)

1 A BILL for an Act to amend and reenact subsection 3 of section 40-63-04 of the North Dakota  
2 Century Code, relating to the procedure for electing to take the renaissance zone individual  
3 income tax credit; and to provide an effective date.

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

5 **SECTION 1. AMENDMENT.** Subsection 3 of section 40-63-04 of the North Dakota Century  
6 Code is amended and reenacted as follows:

7 3. If the cost of a new business purchase, leasehold improvement, or expansion of an  
8 existing business, approved as a zone project, exceeds seventy-five thousand dollars,  
9 and the business is located in a city with a population of not more than two thousand  
10 five hundred, an individual taxpayer may, in lieu of the exemption provided in  
11 subsection 2, elect to take an income tax exemption of up to two thousand dollars of  
12 ~~personal~~individual income tax liability as determined under section 57-38-30.3. The  
13 election must be made on the taxpayer's ~~zone project application~~return as originally  
14 and timely filed. The election is irrevocable and binding for the duration of the  
15 exemptions provided in subsection 2 or this subsection. If ~~nean~~ election is not made  
16 on the ~~zone project application~~original return, the taxpayer is only eligible for the  
17 exemption provided in subsection 2.

18 **SECTION 2. EFFECTIVE DATE.** This Act is effective for zone projects approved after  
19 December 31, 2010.