

Sixty-third  
Legislative Assembly  
of North Dakota

## ENGROSSED HOUSE BILL NO. 1166

Introduced by

Representative Keiser

Senator Cook

1 A BILL for an Act to amend and reenact subsection 2 of section 40-63-04 of the North Dakota  
2 Century Code, relating to the business or investment income tax exemption for the purchase,  
3 lease, or rehabilitation of property within a renaissance zone; and to provide an effective date.

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

5 **SECTION 1. AMENDMENT.** Subsection 2 of section 40-63-04 of the North Dakota Century  
6 Code is amended and reenacted as follows:

7 2. AnyA taxpayer that purchases, leases, rehabilitates, or makes leasehold  
8 improvements to residential, public utility infrastructure, or commercial property for any  
9 business or investment purpose as a zone project is exempt from ~~any~~ tax on income  
10 derived from the business or investment locations within the zone for five taxable  
11 years, beginning with the date of purchase, lease, or completion of rehabilitation.

12 a. The maximum amount of income that a taxpayer may exempt from tax under this  
13 subsection for any taxable year is ~~two~~five hundred ~~fifty~~thousand dollars. The  
14 limitation in this subdivision applies to the sum of the exempt income derived  
15 from the taxpayer's business and investment interests in all zone projects.

16 b. If a zone project consists of a physical expansion of an existing building owned  
17 and used by the taxpayer for business or investment purposes, the amount of  
18 income exempt from tax under this subsection is limited to an amount equal to  
19 the income derived from the business, or from the investment use of the building,  
20 during the taxable year multiplied by a ratio equal to the square footage added by  
21 the expansion divided by the total square footage of the building after expansion.

22 **SECTION 2. EFFECTIVE DATE.** This Act is effective for zone projects approved after  
23 July 31, 2013.