

HOUSE BILL NO. 1190

Introduced by

Representatives Bellew, Brabandt, Froseth, Lefor, Nathe, Seibel

Senator Hogue

1 A BILL for an Act to amend and reenact subsection 4 of section 57-39.2-04 of the North Dakota
2 Century Code, relating to a sales tax exemption for gross receipts from educational, religious, or
3 charitable activities; and to provide an effective date.

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

5 **SECTION 1. AMENDMENT.** Subsection 4 of section 57-39.2-04 of the North Dakota
6 Century Code is amended and reenacted as follows:

- 7 4. a. Gross receipts from sales of tickets, or admissions to state, county, district, and
8 local fairs.
- 9 b. Gross receipts from educational, religious, or charitable activities when the entire
10 amount of net receipts is expended for educational, religious, or charitable
11 purposes. ~~The exemption specified in this subsection does not apply to:~~
- 12 ~~(1) Gross receipts from taxable sales in excess of ten thousand dollars per-~~
13 ~~event if the activities are held in a publicly owned facility; or~~
- 14 ~~(2) Gross receipts from activities if the seller competes with retailers by~~
15 ~~maintaining inventory, conducting retail sales on a regular basis from a~~
16 ~~permanent or seasonal location, or soliciting sales from a website prepared~~
17 ~~for or maintained by the seller.~~
- 18 c. Gross receipts derived by any public school district if such receipts are expended
19 in accordance with section 15.1-07-10 or 15.1-07-11.
- 20 d. Gross receipts of a nonprofit music or dramatic arts organization that is exempt
21 from federal income taxation and is organized and operated for the presentation
22 of live public performances of musical or theatrical works on a regular basis.

23 **SECTION 2. EFFECTIVE DATE.** This Act is effective for taxable events occurring after
24 June 30, 2015.