Sixty-sixth
Legislative Assembly
of North Dakota

SENATE BILL NO. 2237

Introduced by

Senators Bakke, Kreun, Oban

Representatives Hager, J. Nelson

A BILL for an Act to create and enact a new section to chapter 57-38 and a new subdivision to subsection 2 of section 57-38-30.3 of the North Dakota Century Code, relating to a corporate income tax credit and an employer deduction for reimbursement of employee child care expenditures; and to provide an effective date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. A new section to chapter 57-38 of the North Dakota Century Code is created and enacted as follows:

Corporate income tax credit for reimbursement of employee child care expenditures.

1. A corporation reimbursing an employee for qualified child care expenditures is allowed a credit against the tax imposed by section 57-38-30 in an amount equal to the amount reimbursed by the corporation to its employees during the taxable year.
2. For purposes of this section, "qualified child care expenditures" means the amount paid by the legal guardian of a minor during the taxable year for child care services provided by a home, group, or center licensed by the department of human services.
3. The taxpayer shall claim the total credit amount for the taxable year in which the qualified child care expenditures were reimbursed.
4. If the amount of the credit determined under this section exceeds the taxpayer's liability for tax under this chapter, the excess may be carried forward to future taxable years.
5. Reimbursed qualified child care expenditures under this section may not be used in the calculation of any other income tax deduction or credit allowed under state law.
6. To receive the tax credit provided under this section, a taxpayer shall claim the credit in the form and manner prescribed by the tax commissioner.

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

Reduced by twice the amount paid by a taxpayer that is an employer in this state to reimburse employees of the taxpayer for qualified child care expenditures. For purposes of this subdivision, "qualified child care expenditures" means the amount paid by the legal guardian of a minor during the taxable year for child care services provided by a home, group, or center licensed by the department of human services.

SECTION 3. EFFECTIVE DATE. This Act is effective for taxable years beginning after December 31, 2018.