

HOUSE BILL NO. 1176

Introduced by

Representatives S. Olson, Fisher, Frelich, Koppelman, O'Brien, Satrom

1 A BILL for an Act to create and enact two new sections to chapter 57-38 and two new
2 subdivisions to subsection 7 of section 57-38-30.3 of the North Dakota Century Code, relating
3 to an adoption tax credit and a tax credit for contributions to a maternity home, child placing
4 agency, or pregnancy help center; and to provide an effective date.

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

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

8 **Adoption tax credit.**

- 9 1. A taxpayer is entitled to a credit against the income tax liability under section
10 57-38-30.3 for adoption expenses.
11 2. The credit is equal to ten percent of the federal adoption credit allowed under
12 section 23 of the Internal Revenue Code [26 U.S.C. 23] claimed by the taxpayer in the
13 current taxable year.
14 3. The credit allowed under this section may not exceed fifty percent of the taxpayer's
15 liability for tax under this chapter. Any credit amount exceeding fifty percent of the
16 taxpayer's liability for the taxable year may be carried forward to each of the three
17 succeeding taxable years, subject to the limitation in this subsection.

18 **SECTION 2.** A new section to chapter 57-38 of the North Dakota Century Code is created
19 and enacted as follows:

20 **Tax credit for contributions to a maternity home, child placing agency, or pregnancy**
21 **help center.**

- 22 1. A taxpayer is entitled to a credit against the income tax liability under section 57-38-30
23 or 57-38-30.3 for contributions made to a maternity home, child placing agency, or
24 pregnancy help center.

- 1 2. Subject to the limitations in subsection 3, the credit is equal to the aggregate amount
2 of charitable contributions made by the taxpayer during the taxable year to a maternity
3 home, child placing agency, or pregnancy help center.
- 4 3. The credit allowed under this section may not exceed fifty percent of the taxpayer's
5 liability for tax under this chapter or two thousand five hundred dollars, whichever is
6 less. Any credit amount exceeding the limitation in this subsection for the taxable year
7 may not be claimed as a carryback or carryforward.
- 8 4. A passthrough entity entitled to the credit under this section must be considered to be
9 the taxpayer for purposes of this section and the amount of the credit allowed must be
10 determined at the passthrough entity level. The amount of the total credit determined
11 at the passthrough entity level must be allowed to the partners, shareholders, or
12 members in proportion to their respective interests in the passthrough entity.
- 13 5. For purposes of this subsection:
- 14 a. "Child placing agency" means a child placing agency under chapter 50-12.
15 b. "Maternity home" means a ~~maternity home under chapter 50-19~~ nonprofit facility
16 operating for the purpose of providing shelter and care to a pregnant woman or
17 parent of a child twelve months of age or younger.
- 18 c. "Pregnancy help center" means a nongovernmental entity eligible for
19 disbursements pursuant to section 50-06-26.

20 **SECTION 3.** Two new subdivisions to subsection 7 of section 57-38-30.3 of the North
21 Dakota Century Code are created and enacted as follows:

22 Adoption tax credit under section 1 of this Act.

23
24 Tax credit for contributions to a maternity home, child placing agency, or
25 pregnancy help center under section 2 of this Act.

26 **SECTION 4. EFFECTIVE DATE.** This Act is effective for taxable years beginning after
27 December 31, 2022.