

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1455

That the Senate recede from its amendments as printed on pages 1430 and 1431 of the House Journal and pages 1181-1183 of the Senate Journal and that Engrossed House Bill No. 1455 be amended as follows:

Page 1, line 1, after "enact" insert "a new subdivision to subsection 3 of section 54-35-26,"

Page 1, line 1, after "57-39.2" insert a comma

Page 1, line 2, replace "4" with "3"

Page 1, line 2, after "to" insert "evaluation of economic development tax incentives and"

Page 1, line 3, after "for" insert "raw"

Page 1, line 3, after "materials" insert ", single-use product contact systems, and reagents"

Page 1, line 3, remove "in the research and development of bioscience and"

Page 1, remove line 4

Page 1, line 5, remove "products"

Page 1, line 5, replace "use in the health care industry" with "biologic manufacturing; to provide for a legislative management report"

Page 1, line 5, remove "and"

Page 1, line 5, after "date" insert "; and to provide an expiration date"

Page 1, after line 6, insert:

**"SECTION 1.** A new subdivision to subsection 3 of section 54-35-26 of the North Dakota Century Code is created and enacted as follows:

Sales and use tax exemption for raw materials, single-use product contact systems, and reagents used for biologic manufacturing.

Page 1, line 9, after "**for**" insert "**raw**"

Page 1, line 9, after "**materials**" insert "**. single-use product contact systems, and reagents**"

Page 1, line 9, remove "**in the research and development of** "

Page 1, remove line 10

Page 1, line 11, replace "**and biotechnology products used in the health care industry**" with "**for biologic manufacturing - Report**"

Page 1, line 12, remove "tangible personal property purchased for use, storage, or"

Page 1, remove line 13

Page 1, line 14, remove "bioscience and biotechnology in the health care industry and"

Page 1, line 14, remove "or"

Page 1, line 15, replace "consumables purchased" with "single-use product contact systems, and reagents used directly for discovery, testing, screening, and production"

Page 1, line 15, remove "use, storage, or consumption which are critical to"

Page 1, line 16, replace "the health care industry" with "this state are exempt from taxes under this chapter"

Page 1, line 17, remove "qualified biotechnology taxpayer"

Page 1, line 18, remove "or qualified bioscience"

Page 1, line 19, remove "tangible personal property."

Page 1, line 19, after the second underscored comma insert "single-use product contact systems."

Page 1, line 19, replace "consumables" with "reagents"

Page 1, line 20, remove "If a certificate is not received before the purchase, the qualified"

Page 1, remove lines 21 and 22

Page 1, line 23, remove "If the tangible personal property, raw materials, or consumables are purchased or"

Page 1, remove line 24

Page 2, remove lines 1 and 2

Page 2, line 3, remove "4."

Page 2, line 4, replace "includes" with "means"

Page 2, line 5, after the first "product" insert "discovery, development."

Page 2, line 6, after "in-process" insert "products"

Page 2, line 6, remove "in the"

Page 2, line 7, replace "health care industry" with "which exclusively occurs within this state"

Page 2, line 8, remove """Bioscience" means the use of compositions, methods, and organisms in cellular"

Page 2, remove lines 9 through 11

Page 2, line 12, replace "microbiology" with """Single-use product contact systems" means tubing, capsule filters, ion exchange membrane chromatography devices, mixers, bioreactors, sterile fluid containment bags, connection devices, and sampling receptacles"

Page 2, remove lines 13 through 30

Page 3, replace lines 1 through 8 with:

4. a. By April first of each year, each taxpayer that received the exemption under this section in the preceding calendar year shall file with the tax commissioner, on forms and in the manner prescribed by the tax commissioner, a report showing for the calendar year preceding the reporting deadline in this subdivision, the taxpayer's:

- (1) Total sales and use tax liability exempted under this section:
  - (2) Total gross payroll:
  - (3) Total property taxes paid and square footage of buildings owned by the taxpayer:
  - (4) Total North Dakota workforce safety and insurance premiums paid:
  - (5) North Dakota unemployment taxes paid; and
  - (6) Total state income tax withheld by the taxpayer.
- b. Failure to file the report required under subdivision a is cause to disallow the exemption due to noncompliance. The tax commissioner shall provide notice of the disallowed exemption to the taxpayer and assess any sales and use tax due. An assessment of tax made under this subsection is final and irrevocably fixed.
- c. By June first of each year, the tax commissioner shall submit to the legislative management a written report summarizing the information received under subdivision a, including a comparison of information received in the current calendar year with data received in the preceding calendar year.

Page 3, replace lines 9 and 10 with:

**"SECTION 3.** A new subdivision to subsection 3 of section 57-40.2-03.3 of the North Dakota Century Code is created and enacted as follows:"

Page 3, line 11, replace "Tangible personal property, raw" with "Raw"

Page 3, line 11, replace "or consumables" with "single-use product contact systems, and reagents used for biologic manufacturing"

Page 3, line 12, replace "1" with "2"

Page 3, line 13, after "**DATE**" insert "**- EXPIRATION DATE**"

Page 3, line 13, replace "This" with "Sections 2 and 3 of this"

Page 3, line 13, replace "is" with "are"

Page 3, line 14, after "2023" insert ", and before July 1, 2029, and are thereafter ineffective"

Renumber accordingly

