

23.0964.02001  
Title.

Prepared by the Legislative Council staff for  
Representative Schreiber-Beck  
February 13, 2023

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1513

Page 1, line 1, replace "subdivision to subsection 3 of section 57-40.2-03.3" with "section to chapter 57-39.2"

Page 1, line 2, replace "payment of use tax by contractors" with "a sales and use tax exemption for materials used to construct, expand, or upgrade a facility owned by an eligible facility or emergency medical services provider"

Page 1, line 3, replace "subsection 24 of section 57-39.2-04" with "subsection 3 of section 57-40.2-03.3"

Page 1, remove line 4

Page 1, line 5, replace "patient or occupant" with "use tax exemption for materials used to construct, expand, or upgrade a facility owned by an eligible facility or emergency medical services provider"

Page 1, replace lines 7 through 23 with:

**"SECTION 1.** A new section to chapter 57-39.2 of the North Dakota Century Code is created and enacted as follows:

**Sales and use tax exemption for materials used to construct, expand, or upgrade a facility owned by an eligible facility or emergency medical services provider.**

1. Gross receipts from sales of tangible personal property used to construct, expand, or upgrade a facility owned by an entity that qualifies as an exempt organization under subsection 24 of section 57-39.2-04 are exempt from taxes under this chapter.
2. The exemption may be received only at the time of purchase. To receive the exemption, the entity qualifying for an exemption under this section must receive from the tax commissioner a certificate indicating the tangible personal property the entity intends to purchase to construct, expand, or upgrade the facility qualifies for the exemption under this section.
3. This chapter and chapter 57-40.2 apply to an exemption under this section.

**SECTION 2. AMENDMENT.** Subsection 3 of section 57-40.2-03.3 of the North Dakota Century Code is amended and reenacted as follows:

3. The tax imposed by this section does not apply to:
  - a. Production equipment or tangible personal property as authorized or approved for exemption by the tax commissioner under section 57-39.2-04.2;
  - b. Machinery, equipment, or other tangible personal property used to construct an agricultural commodity processing facility as authorized

or approved for exemption by the tax commissioner under section 57-39.2-04.3 or 57-39.2-04.4~~;~~

- c. Tangible personal property used to construct or expand a system used to compress, process, gather, or refine gas recovered from an oil or gas well in this state or used to expand or build a gas-processing facility in this state as authorized or approved for exemption by the tax commissioner under section 57-39.2-04.5~~;~~
- d. Tangible personal property used to construct or expand a qualifying oil refinery as authorized or approved for exemption by the tax commissioner under section 57-39.2-04.6~~;~~
- e. Tangible personal property used to construct or expand a qualifying facility as authorized or approved for exemption by the tax commissioner under section 57-39.2-04.10~~;~~
- f. Tangible personal property used to construct or expand a qualifying facility as authorized or approved for exemption by the tax commissioner under section 57-39.2-04.11~~;~~
- g. Materials used in compressing, gathering, collecting, storing, transporting, or injecting carbon dioxide for use in enhanced recovery of oil or natural gas as provided in section 57-39.2-04.14~~;~~
- h. Tangible personal property used to construct a qualifying fertilizer or chemical processing facility as authorized or approved for exemption by the tax commissioner under section 57-39.2-04.15~~;~~~~or~~
- i. Tangible personal property used to construct a qualified straddle plant, a qualified fractionator, or qualified associated infrastructure as authorized or approved for exemption by the tax commissioner under section 57-39.2-04.16.
- j. Tangible personal property used to construct, expand, or upgrade a facility owned by an eligible facility or emergency medical services provider as authorized or approved for exemption by the tax commissioner under section 1 of this Act."

Renumber accordingly

23.0964.02001

Sixty-eighth  
Legislative Assembly  
of North Dakota

**HOUSE BILL NO. 1513**

Introduced by

Representatives Schreiber-Beck, Dobervich, O'Brien, Pyle, Roers Jones, Strinden, Swiontek  
Senator Hogan

1 A BILL for an Act to create and enact a new ~~subdivision to subsection 3 of section-~~  
2 ~~57-40.2-03.3~~section to chapter 57-39.2 of the North Dakota Century Code, relating to ~~payment-~~  
3 ~~of use tax by contractors~~a sales and use tax exemption for materials used to construct, expand,  
4 or upgrade a facility owned by an eligible facility or emergency medical services provider; to  
5 amend and reenact ~~subsection 24 of section 57-39.2-04~~subsection 3 of section 57-40.2-03.3 of  
6 the North Dakota Century Code, relating to a ~~sales tax exemption for sales to an eligible facility-~~  
7 ~~when used for the benefit of the facility's patient or occupant~~use tax exemption for materials  
8 used to construct, expand, or upgrade a facility owned by an eligible facility or emergency  
9 medical services provider; and to provide an effective date.

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

11 ~~SECTION 1. AMENDMENT. Subsection 24 of section 57-39.2-04 of the North Dakota~~  
12 ~~Century Code is amended and reenacted as follows: \_\_\_\_\_~~

13 ~~24. Gross receipts from all sales when made to an eligible facility or emergency medical~~  
14 ~~services provider for the use or benefit of its patient or occupant. For the purposes of~~  
15 ~~this subsection:~~

16 ~~a. "Eligible facility" means any hospital, skilled nursing facility, intermediate care~~  
17 ~~facility, residential end-of-life facility, basic care facility, hospice program, or any~~  
18 ~~assisted living facility licensed by the department of health and human services;~~  
19 ~~and~~

20 ~~b. "Emergency medical services provider" means an emergency medical~~  
21 ~~services operation licensed by the department of health and human services~~  
22 ~~under chapter 23-27.~~

23 ~~SECTION 2. A new subdivision to subsection 3 of section 57-40.2-03.3 of the North Dakota~~  
24 ~~Century Code is created and enacted as follows:~~



Tangible personal property purchased by a contractor on behalf of an entity  
qualifying for an exemption under subsection 24 of section 57-39.2-04 and  
subsequently installed into a facility used by the entity.

**SECTION 1.** A new section to chapter 57-39.2 of the North Dakota Century Code is created and enacted as follows:

**Sales and use tax exemption for materials used to construct, expand, or upgrade a facility owned by an eligible facility or emergency medical services provider.**

1. Gross receipts from sales of tangible personal property used to construct, expand, or upgrade a facility owned by an entity that qualifies as an exempt organization under subsection 24 of section 57-39.2-04 are exempt from taxes under this chapter.

2. The exemption may be received only at the time of purchase. To receive the exemption, the entity qualifying for an exemption under this section must receive from the tax commissioner a certificate indicating the tangible personal property the entity intends to purchase to construct, expand, or upgrade the facility qualifies for the exemption under this section.

3. This chapter and chapter 57-40.2 apply to an exemption under this section.

**SECTION 2. AMENDMENT.** Subsection 3 of section 57-40.2-03.3 of the North Dakota Century Code is amended and reenacted as follows:

3. The tax imposed by this section does not apply to:
- a. Production equipment or tangible personal property as authorized or approved for exemption by the tax commissioner under section 57-39.2-04.2~~;~~
  - b. Machinery, equipment, or other tangible personal property used to construct an agricultural commodity processing facility as authorized or approved for exemption by the tax commissioner under section 57-39.2-04.3 or 57-39.2-04.4~~;~~
  - c. Tangible personal property used to construct or expand a system used to compress, process, gather, or refine gas recovered from an oil or gas well in this state or used to expand or build a gas-processing facility in this state as authorized or approved for exemption by the tax commissioner under section 57-39.2-04.5~~;~~



- 1 d. Tangible personal property used to construct or expand a qualifying oil refinery as  
2 authorized or approved for exemption by the tax commissioner under section  
3 57-39.2-04.6~~;~~
- 4 e. Tangible personal property used to construct or expand a qualifying facility as  
5 authorized or approved for exemption by the tax commissioner under section  
6 57-39.2-04.10~~;~~
- 7 f. Tangible personal property used to construct or expand a qualifying facility as  
8 authorized or approved for exemption by the tax commissioner under section  
9 57-39.2-04.11~~;~~
- 10 g. Materials used in compressing, gathering, collecting, storing, transporting, or  
11 injecting carbon dioxide for use in enhanced recovery of oil or natural gas as  
12 provided in section 57-39.2-04.14~~;~~
- 13 h. Tangible personal property used to construct a qualifying fertilizer or chemical  
14 processing facility as authorized or approved for exemption by the tax  
15 commissioner under section 57-39.2-04.15~~;~~ ~~or~~
- 16 i. Tangible personal property used to construct a qualified straddle plant, a qualified  
17 fractionator, or qualified associated infrastructure as authorized or approved for  
18 exemption by the tax commissioner under section 57-39.2-04.16.
- 19 j. Tangible personal property used to construct, expand, or upgrade a facility owned  
20 by an eligible facility or emergency medical services provider as authorized or  
21 approved for exemption by the tax commissioner under section 1 of this Act.

22 **SECTION 3. EFFECTIVE DATE.** This Act is effective for taxable events occurring after  
23 June 30, 2023.

