

Jean Schafer

PROPOSED AMENDMENT TO SENATE BILL NO. 2334

Page 1, line 3, remove "subsection 2 of"

Page 1, replace lines 7 through 14 with:

**"SECTION 1. AMENDMENT.** Section 57-30.2-04.15 of the North Dakota Century Code is amended and reenacted as follows:

**57-39.2-04.15. Sales and use tax exemption for materials used to construct a fertilizer or chemical processing facility.**

1. Gross receipts from sales of tangible personal property used to construct or expand a fertilizer or chemical processing facility in this state, and any component integral to the fertilizer or chemical processing plant, are exempt from taxes under this chapter. To be exempt, the tangible personal property must be incorporated in the structure of the facility or used in the construction process to the point of having no residual economic value. The exemption provided in this section applies to all phases of construction under the permit or application for permit required by subsection 2. An integral component to the fertilizer or chemical processing plant:
  - a. May be owned directly or indirectly by the fertilizer or chemical processing facility, or by an unrelated third party;
  - b. Must be located at the facility site; and
  - c. Must be necessary for the plant's processing of fertilizer or chemicals.
2. ~~On or before June 30, 2023,~~ The owner of the fertilizer or chemical processing plant must receive from the department of environmental quality an air quality permit or a notice that the air quality permit application is complete. The owner shall provide this documentation to the tax commissioner to qualify for the exemption under this section. Denial, expiration, or revocation of a permit terminates the exemption under this section.
3. To receive the exemption under this section at the time of purchase, the owner of the processing facility must receive from the tax commissioner a certificate that the tangible personal property used to construct the processing facility which the owner intends to purchase qualifies for exemption. If a certificate is not received before the purchase, the owner shall pay the applicable tax imposed by this chapter and apply to the tax commissioner for a refund.