

HOUSE BILL NO. 1324

Introduced by

Representatives D. Johnston, Bolinske, Christianson, Heilman, Rohr, Schatz, Toman

Senators Boehm, Castaneda, Paulson

1 A BILL for an Act to create and enact a new subdivision to subsection 2 of section 57-38-30.3 of
2 the North Dakota Century Code, relating to an income tax deduction for cash and noncash tips
3 received by a food or beverage service establishment employee; and to provide an effective
4 date.

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

6 **SECTION 1.** A new subdivision to subsection 2 of section 57-38-30.3 of the North Dakota
7 Century Code is created and enacted as follows:

8 Reduced by the amount of cash and noncash tips received by an employee in
9 the course of the employee's work at a food or beverage service establishment,
10 but only to the extent the amount was included in the employee's federal taxable
11 income. For purposes of this subdivision, "food or beverage service
12 establishment" means an establishment or place of business primarily engaged
13 in the sale of prepared food or beverages for on-premises consumption.

14 **SECTION 2. EFFECTIVE DATE.** This Act is effective for taxable years beginning after
15 December 31, 2024.