

Sixty-ninth  
Legislative Assembly  
of North Dakota

**SENATE BILL NO. 2282  
with House Amendments**

**SENATE BILL NO. 2282**

Introduced by

Senators Hogan, Weber, Wobbema

Representatives Mitskog, O'Brien

1 A BILL for an Act to create and enact a new section to chapter 57-38 and new subdivision to  
2 subsection 7 of section 57-38-30.3 of the North Dakota Century Code, relating to an income tax  
3 credit for child care contributions provided by qualified employers; and to provide an effective  
4 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 **Child care contribution credit.**

- 9 1. A taxpayer that is a qualified employer is entitled to a credit against the income tax  
10 liability under section 57-38-30 or 57-38-30.3 as provided in this section. The total  
11 credit available with respect to each qualifying employee is equal to fifty percent of the  
12 taxpayer's aggregate child care contributions paid during the taxable year. The credit  
13 must be claimed for the taxable year in which the child care contributions are made.
- 14 2. The credit allowed under this section may not exceed the liability for tax under this  
15 chapter. Any credit amount exceeding a taxpayer's liability for the taxable year may not  
16 be claimed as a carryback or carryforward.
- 17 3. A passthrough entity entitled to the credit under this section must be considered to be  
18 the taxpayer for purposes of this section and the amount of the credit allowed must be  
19 determined at the passthrough entity level. The amount of the total credit determined  
20 at the passthrough entity level must be allowed to the partners, shareholders, or  
21 members in proportion to their respective interests in the passthrough entity.

- 1       4. To receive the tax credit provided under this section, a taxpayer shall claim the credit  
2       in the form and manner prescribed by the tax commissioner. The tax commissioner  
3       shall prescribe, design, and make available all forms necessary to effectuate this  
4       section.
- 5       5. For purposes of this section:
- 6       a. "Aggregate child care contributions" means the total amount of child care  
7       contributions made by a qualified employer to all qualified employees during the  
8       taxable year, limited to the first five hundred dollars in child care contributions per  
9       qualifying employee.
- 10      b. "Child care costs" means costs incurred by an employee for early childhood  
11      services rendered by a child care provider, which are incurred to enable the  
12      employee to be gainfully employed by an employer.
- 13      c. "Child care contribution" means a payment made to a child care provider by a  
14      qualified employer to subsidize a qualified employee's child care costs and a  
15      payment made to a qualified employee for reimbursement of the qualified  
16      employee's child care costs.
- 17      d. "Child care provider" means an early childhood services provider licensed under  
18      chapter 50-11.1 or a substantially similar provider that is licensed by another  
19      state and provides early childhood services within ten miles of this state.
- 20      e. "Early childhood services" has the same meaning as in section 50-11.1-02.
- 21      f. "Qualified employee" means an individual who is a resident of this state and  
22      employed by the qualified employer claiming the credit under this section.
- 23      g. "Qualified employer" means an employer that, in the taxable year for which the  
24      employer:
- 25          (1) Made a child care contribution; and
- 26          (2) Provided an equal opportunity to all employees that have child care costs to  
27          receive an equal child care contribution from the employer during the  
28          taxable year.

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

31               Child care contribution credit under section 1 of this Act .

- 1       **SECTION 3. EFFECTIVE DATE.** This Act is effective for taxable years beginning after
- 2       December 31, 2024.