

Introduced by

Finance and Taxation Committee

(At the request of the Tax Commissioner)

1 A BILL for an Act to amend and reenact section 57-38-59 of the North Dakota Century Code,
2 relating to withholding from wages of employees; and to provide an effective date.

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

4 **SECTION 1. AMENDMENT.** Section 57-38-59 of the North Dakota Century Code is
5 amended and reenacted as follows:

6 **57-38-59. Withholding from wages of employees - Penalty.**

- 7 1. Except as provided in section 57-38-59.3, every employer making payment of wages
8 to employees shall deduct and withhold from their wages such percentage or
9 percentages, as determined by the tax commissioner, multiplied times the total amount
10 required to be deducted by an employer from wages of an employee under the
11 provisions of the Internal Revenue Code of 1986, as amended, as will approximate the
12 income taxes due the state. The amount of tax withheld must be computed without
13 regard to any other amount required to be withheld, but the tax withheld must as
14 closely as possible pay any tax liability imposed by this chapter.
- 15 2. In the event that the tax deducted and withheld under subsection 1 should prove to be
16 disproportionate to the tax liability, the tax commissioner may adjust the percentage
17 that, when withheld, will, as closely as may be possible, pay the income tax liability
18 imposed by this chapter.
- 19 3. The tax commissioner may, in lieu of the requirement above for deducting and
20 withholding tax based upon a percentage of federal income tax withheld, adopt by rule
21 tax tables that, when the tax provided for in the tables is withheld, will, as closely as
22 possible, pay the income tax liability imposed by this chapter. When adopted by the
23 tax commissioner, said tables must be followed by every employer required to deduct
24 and withhold any tax imposed by this chapter.

1 4. Notwithstanding other provisions in this section, unless otherwise instructed by a
2 taxpayer, an employer may not, for income tax purposes, withhold or deduct tax from
3 wages described under subdivision g of subsection 2 of section 57-38-30.3.

4 **SECTION 2. EFFECTIVE DATE.** This Act is effective for taxable years beginning after
5 December 31, 2025.