

Sixty-ninth  
Legislative Assembly  
of North Dakota

## PROPOSED AMENDMENTS TO

### HOUSE BILL NO. 1575

Introduced by

Representatives Weisz, Beltz, Dockter, Dressler, Hagert, Headland, Kempenich

Senators Klein, Schaible, Thomas

1 A BILL for an Act to create and enact ~~three~~two new sections to chapter 54-27, two new sections  
2 to chapter 57-02, and a new subdivision to subsection 1 of section 57-55-10 of the North  
3 Dakota Century Code, relating to ~~primary residence certification, a state reimbursed taxable~~  
4 ~~valuation reduction for primary residential property, and~~a legacy earnings fund, a legacy  
5 property tax relief fund, a state reimbursed taxable valuation reduction for residential,  
6 agricultural, and commercial property ~~owned by resident individuals or entities domiciled in the~~  
7 ~~state,~~ and limitations on taxable valuation increases without voter approval; to amend and  
8 reenact ~~sections 57-02-01~~section 6-09.4-10.1, subsection 1 of section 21-10-06, section  
9 54-27-19.3, subdivision c of subsection 1 of section 57-02-08.1, subdivision b of subsection 2 of  
10 section 57-02-08.1, section 57-02-08.10, 57-02-27, and 57-02-27.1and subsections 1 and 7 of  
11 section 57-38-30.3 of the North Dakota Century Code, relating to ~~property classifications~~  
12 ~~and funds invested by the state investment board, the homestead tax credit and renters refund,~~  
13 the primary residence credit certification and state reimbursement, income tax rates for  
14 individuals, estates, and trusts and the marriage penalty credit; to repeal ~~section~~sections  
15 21-10-12, 21-10-13, 57-02-08.9, and 57-38-01.28 of the North Dakota Century Code, relating to  
16 legacy fund definitions, the legacy earnings fund, the primary residence credit, and the marriage  
17 penalty credit; to provide an appropriation; to provide for a transfer; to provide an effective date;  
18 and to provide an expiration date.

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

1 ~~SECTION 1. AMENDMENT.~~ Section 57-02-01 of the North Dakota Century Code is  
2 amended and reenacted as follows:

3 ~~57-02-01. Definitions.~~

4 ~~As used in this title, unless the context or subject matter otherwise requires:~~

5 ~~1. "Agricultural property" means platted or unplatted lands used for raising agricultural~~  
6 ~~crops or grazing farm animals, except lands platted and assessed as agricultural~~  
7 ~~property prior to March 30, 1981, shall continue to be assessed as agricultural~~  
8 ~~property until put to a use other than raising agricultural crops or grazing farm animals.~~  
9 ~~Agricultural property includes land on which a greenhouse or other building is located~~  
10 ~~if the land is used for a nursery or other purpose associated with the operation of the~~  
11 ~~greenhouse. The time limitations contained in this section may not be construed to~~  
12 ~~prevent property that was assessed as other than agricultural property from being~~  
13 ~~assessed as agricultural property if the property otherwise qualifies under this~~  
14 ~~subsection.~~

15 ~~a. Property platted on or after March 30, 1981, is not agricultural property when any~~  
16 ~~four of the following conditions exist:~~

17 ~~(1) The land is platted by the owner.~~

18 ~~(2) Public improvements, including sewer, water, or streets, are in place.~~

19 ~~(3) Topsoil is removed or topography is disturbed to the extent that the property~~  
20 ~~cannot be used to raise crops or graze farm animals.~~

21 ~~(4) Property is zoned other than agricultural.~~

22 ~~(5) Property has assumed an urban atmosphere because of adjacent~~  
23 ~~residential or commercial development on three or more sides.~~

24 ~~(6) The parcel is less than ten acres [4.05 hectares] and not contiguous to~~  
25 ~~agricultural property.~~

26 ~~(7) The property sells for more than four times the county average true and full~~  
27 ~~agricultural value.~~

28 ~~b. Land that was assessed as agricultural property at the time the land was put to~~  
29 ~~use for extraction of oil, natural gas, or subsurface minerals as defined in section~~  
30 ~~38-12-01 must continue to be assessed as agricultural property if the remainder~~  
31 ~~of the surface owner's parcel of property on which the subsurface mineral activity~~

1                   is occurring continues to qualify for assessment as agricultural property under  
2                   this subsection.

3 ~~2. "Air carrier transportation property" means the operative property of each airline~~  
4 ~~whose property is assessed for taxation purposes pursuant to chapters 57-06 and~~  
5 ~~57-32.~~

6 ~~3. "Assessed valuation" means fifty percent of the true and full value of property.~~

7 ~~4. "Centrally assessed property" means all property which is assessed by the state board~~  
8 ~~of equalization under chapters 57-05, 57-06, and 57-32.~~

9 ~~5. "Commercial property" means all property, or portions of property, not included in the~~  
10 ~~classes of property defined in subsections 1, 4, 11, and 10, 12, 13, and 14.~~

11 ~~6. "Credits" means and includes every claim and demand for money or other valuable~~  
12 ~~thing, and every annuity or sum of money receivable at stated periods, due or to~~  
13 ~~become due, and all claims and demands secured by deeds or mortgages, due or to~~  
14 ~~become due.~~

15 ~~7. "Governing body" means a board of county commissioners, city council, board of city~~  
16 ~~commissioners, school board, or board of education, or the similarly constituted and~~  
17 ~~acting board of any other municipality.~~

18 ~~8. "Money" or "moneys" means gold and silver coin, treasury notes, bank notes, and~~  
19 ~~every deposit which any person owning the same or holding in trust and residing in~~  
20 ~~this state is entitled to withdraw as money or on demand.~~

21 ~~9. "Municipality" or "taxing district" means a county, city, township, school district, water~~  
22 ~~conservation and flood control district, Garrison Diversion Conservancy District, county~~  
23 ~~park district, joint county park district, irrigation district, park district, rural fire protection~~  
24 ~~district, or any other subdivision of the state empowered to levy taxes.~~

25 ~~10. "Nonprimary residential property" means residential property, or portions of residential~~  
26 ~~property, not included in the class of property defined in subsection 12.~~

27 ~~11. "Person" includes a firm, corporation, or limited liability company.~~

28 ~~11.12. "Primary residential property" means residential property certified as a primary~~  
29 ~~residence under section 2 of this Act.~~

- 1 ~~13.~~ "Railroad property" means the operating property, including franchises, of each  
2 railroad operated in this state, including any electric or other street or interurban  
3 railway.
- 4 ~~12.14.~~ "Residential property" means all property, or portions of property, used by an individual  
5 or group of individuals as a dwelling, including property upon which a mobile home is  
6 located but not including hotel and motel accommodations required to be licensed  
7 under chapter 23-09 nor structures providing living accommodations for four or more  
8 separate family units nor any tract of land upon which four or more mobile homes are  
9 located. The term includes nonprimary residential property and primary residential  
10 property.
- 11 ~~13.15.~~ "Taxable valuation" signifies the valuation remaining after deducting exemptions and  
12 making other reductions from the original assessed valuation, and is the valuation  
13 upon which the rate of levy finally is computed and against which the taxes finally are  
14 extended.
- 15 ~~14.16.~~ "Tract", "lot", "piece or parcel of real property", or "piece or parcel of land" means any  
16 contiguous quantity of land in the possession of, owned by or recorded as the property  
17 of, the same claimant, person, or company.
- 18 ~~15.17.~~ "True and full value" means the value determined by considering the earning or  
19 productive capacity, if any, the market value, if any, and all other matters that affect the  
20 actual value of the property to be assessed. This shall include, for purposes of arriving  
21 at the true and full value of property used for agricultural purposes, farm rentals, soil  
22 capability, soil productivity, and soils analysis.
- 23 ~~16.18.~~ "Unencumbered cash" means the total cash on hand in any fund, less the amount  
24 belonging to the fund in closed banks and less the amount of outstanding warrants,  
25 bills, accounts, and contracts which are chargeable against the fund.
- 26 ~~17.19.~~ There shall be a presumption that a unit of land is not a farm unless such unit  
27 contains a minimum of ten acres [4.05 hectares], and the taxing authority, in  
28 determining whether such presumption shall apply, shall consider such things as the  
29 present use, the adaptability to use, and how similar type properties in the immediate  
30 area are classified for tax purposes.

1 — ~~SECTION 2. A new section to chapter 57-02 of the North Dakota Century Code is created~~  
2 ~~and enacted as follows:~~

3 — ~~**Primary residence certification – Eligibility for primary residential property**~~  
4 ~~**classification – Application.**~~

5 — ~~1. To be eligible for a primary residential property classification under this chapter, a~~  
6 ~~primary residence must be certified by the county director of tax equalization as~~  
7 ~~provided in this section.~~

8 — ~~2. A dwelling does not lose its character as a primary residence if the owner of the~~  
9 ~~dwelling does not reside in the primary residence because the individual is confined in~~  
10 ~~a nursing home, hospital, or other care facility, for as long as that confinement lasts~~  
11 ~~and the portion of the primary residence previously occupied by the individual is not~~  
12 ~~rented to another person.~~

13 — ~~3. To be certified as a primary residence and eligible for the primary residential property~~  
14 ~~classification under this chapter, an owner shall sign and file with the tax commissioner~~  
15 ~~an application containing a verified statement of facts establishing the owner's~~  
16 ~~property meets the eligibility requirements to be considered a primary residence under~~  
17 ~~this section as of the date of the application on a form and in the manner prescribed~~  
18 ~~by the tax commissioner.~~

19 — ~~a. For assessments for taxable year 2025 for a primary residence taxed as real~~  
20 ~~estate under this title and assessments for taxable years 2025 and 2026 for a~~  
21 ~~primary residence taxed as a mobile home under chapter 57-55:~~

22 — ~~(1) An application for primary residence certification must be filed by August 1,~~  
23 ~~2025, to request a primary residence certification for:~~

24 — ~~(a) Taxable year 2025 for a primary residence taxed as real estate under~~  
25 ~~this title.~~

26 — ~~(b) Taxable years 2025 and 2026 for a primary residence taxed as a~~  
27 ~~mobile home under chapter 57-55.~~

28 — ~~(2) By October 31, 2025, the tax commissioner shall:~~

29 — ~~(a) Review the applications received under this subdivision and~~  
30 ~~determine which applicants qualify for the primary residence~~  
31 ~~certification; and~~

- 1 ~~(b) Provide to each county director of tax equalization a copy of each~~  
2 ~~approved or rejected application received under this subdivision which~~  
3 ~~identifies property located in the county.~~
- 4 ~~(3) By November 28, 2025, the county director of tax equalization shall:~~
- 5 ~~(a) Notify the applicant of the approval or denial of the application.~~
- 6 ~~(b) Adjust the corresponding taxable year classification from a residential~~  
7 ~~classification to the appropriate classification of primary residential~~  
8 ~~property or nonprimary residential property and correct the~~  
9 ~~assessment list to reflect the appropriate classification of the property.~~
- 10 ~~b. For assessments for taxable years after 2025 for a primary residence taxed as~~  
11 ~~real estate under this title and assessments after 2026 for a primary residence~~  
12 ~~taxed as a mobile home under chapter 57-55:~~
- 13 ~~(1) An application for primary residence certification must be filed by February~~  
14 ~~first of each year after 2025 to request a primary residence certification for:~~
- 15 ~~(a) The taxable year during which the application is filed for a primary~~  
16 ~~residence taxed as real estate under this title.~~
- 17 ~~(b) The taxable year succeeding the taxable year during which the~~  
18 ~~application is filed for a primary residence taxed as a mobile home~~  
19 ~~under chapter 57-55.~~
- 20 ~~(2) As soon as practicable after receiving the applications, no later than~~  
21 ~~February twenty-eighth of each year after 2025, the tax department shall:~~
- 22 ~~(a) Review the applications received under this subdivision and~~  
23 ~~determine which applicants qualify for the primary residence~~  
24 ~~certification; and~~
- 25 ~~(b) Provide to each county director of tax equalization a copy of each~~  
26 ~~approved or rejected application received under this subdivision which~~  
27 ~~identifies property located in the county.~~
- 28 ~~(3) Within fifteen days of receipt of the applications from the tax department~~  
29 ~~under paragraph 2, no later than March fifteenth of each year after 2025,~~  
30 ~~the county director of tax equalization shall notify the applicant of the~~

- 1 approval or denial of the application and reflect the appropriate classification  
2 of the property on the assessment list.
- 3 ~~c. The tax department may request additional documentation from the applicant~~  
4 ~~when making the determination of eligibility.~~
- 5 ~~d. Determinations of eligibility under this subsection may be appealed through the~~  
6 ~~informal equalization process and formal abatement process.~~
- 7 ~~4. A primary residence certification under this section is valid for the entire taxable year~~  
8 ~~for which the application for certification was approved, without regard to any change~~  
9 ~~of ownership of the property which occurs after the application for certification was~~  
10 ~~approved.~~
- 11 ~~5. The tax commissioner shall prescribe, design, and make available all forms necessary~~  
12 ~~to effectuate this section. Application forms must include the full name and address of~~  
13 ~~the applicant and any other information prescribed by the tax commissioner. The~~  
14 ~~county director of tax equalization shall make these forms available to applicants upon~~  
15 ~~request.~~
- 16 ~~6. For purposes of this section:~~
- 17 ~~a. "Owned" means the individual holds a present ownership interest, including~~  
18 ~~ownership in fee simple, holds a present life estate or other terminable present~~  
19 ~~ownership interest, holds a beneficial interest in a qualifying trust, or is a~~  
20 ~~purchaser under a contract for deed. The term does not include a mere right of~~  
21 ~~occupancy or a tenancy under a lease.~~
- 22 ~~b. (1) "Primary residence" means a dwelling in this state, including the land,~~  
23 ~~appurtenances, and improvements used in the residential occupancy of the~~  
24 ~~dwelling, which is not exempt from property taxes as a farm residence and,~~  
25 ~~subject to subsection 2 and paragraph 2, as of the assessment date of the~~  
26 ~~taxable year, is:~~
- 27 ~~(a) Owned by one or more individuals, either directly or through a~~  
28 ~~beneficial interest in a qualifying trust;~~
- 29 ~~(b) Designed or adapted for human residence;~~
- 30 ~~(c) Used as a residence; and~~

1 ~~(d) Occupied as a primary place of residence by an owner, an individual~~  
2 ~~who has a life estate in the property, or, for property owned through a~~  
3 ~~beneficial interest in a qualifying trust, by a trustor or beneficiary of the~~  
4 ~~trust who qualifies for the certification.~~

5 ~~(2) For purposes of the term:~~

6 ~~(a) An individual may not have more than one primary residence.~~

7 ~~(b) A primary residence includes a primary residence taxed as a mobile~~  
8 ~~home under chapter 57-55.~~

9 ~~c. "Qualifying trust" means a trust:~~

10 ~~(1) In which the agreement, will, or court order creating the trust, an instrument~~  
11 ~~transferring property to the trust, or any other agreement that is binding on~~  
12 ~~the trustee provides that the trustor of the trust or a beneficiary of the trust~~  
13 ~~has the right to use and occupy as the trustor's or beneficiary's primary~~  
14 ~~residence rent free and without charge except for taxes and other costs and~~  
15 ~~expenses specified in the instrument or court order:~~

16 ~~(a) For life;~~

17 ~~(b) For the lesser of life or a term of years; or~~

18 ~~(c) Until the date the trust is revoked or terminated by an instrument or~~  
19 ~~court order that describes the property with sufficient certainty to~~  
20 ~~identify it and is recorded in the real property records of the county in~~  
21 ~~which the property is located; and~~

22 ~~(2) That acquires the property in an instrument of title or under a court order~~  
23 ~~that:~~

24 ~~(a) Describes the property with sufficient certainty to identify it and the~~  
25 ~~interest acquired; and~~

26 ~~(b) Is recorded in the real property records of the county in which the~~  
27 ~~property is located.~~

28 ~~d. "Trustor" means an individual who transfers an interest in real or personal~~  
29 ~~property to a qualifying trust, whether during the individual's lifetime or at death,~~  
30 ~~or the individual's spouse.~~



1       **SECTION 1. AMENDMENT.** Section 6-09.4-10.1 of the North Dakota Century Code is  
2 amended and reenacted as follows:

3       **6-09.4-10.1. Legacy sinking and interest fund - Debt service requirements - Public**  
4 **finance authority.**

5       There is created in the state treasury the legacy sinking and interest fund. The fund consists  
6 of all moneys deposited in the fund under section ~~21-10-134~~ of this Act. Moneys in the fund may  
7 be spent by the public finance authority pursuant to legislative appropriations to meet the debt  
8 service requirements for evidences of indebtedness issued by the authority for transfer to the  
9 Bank of North Dakota for allocations to infrastructure projects and programs.

10       **SECTION 2. AMENDMENT.** Subsection 1 of section 21-10-06 of the North Dakota Century  
11 Code is amended and reenacted as follows:

12       1. Subject to the provisions of section 21-10-02, the board shall invest the following  
13 funds:

- 14       a. State bonding fund.
- 15       b. Teachers' fund for retirement.
- 16       c. State fire and tornado fund.
- 17       d. Workforce safety and insurance fund.
- 18       e. Public employees retirement system.
- 19       f. Insurance regulatory trust fund.
- 20       g. State risk management fund.
- 21       h. Budget stabilization fund.
- 22       i. Water projects stabilization fund.
- 23       j. Health care trust fund.
- 24       k. Cultural endowment fund.
- 25       l. Petroleum tank release compensation fund.
- 26       m. Legacy fund.
- 27       n. ~~Legacy earnings fund.~~
- 28       ~~e.~~ Opioid settlement fund.

29       ~~p.o.~~ A fund under contract with the board pursuant to subsection 3.

30       **SECTION 3. AMENDMENT.** Section 54-27-19.3 of the North Dakota Century Code is  
31 amended and reenacted as follows:

**54-27-19.3. Legacy earnings highway distribution fund.**

A legacy earnings highway distribution fund is created as a special fund in the state treasury into which must be deposited any allocations of legacy fund earnings made under section ~~21-10-134~~ of this Act. Any moneys in the legacy earnings highway distribution fund must be allocated and transferred by the state treasurer, as follows:

1. Sixty percent must be transferred to the department of transportation for deposit in the state highway fund;
2. Ten percent must be transferred to the legacy earnings township highway aid fund;
3. One and five-tenths percent must be transferred to the public transportation fund; and
4. Twenty-eight and five-tenths percent must be allocated to cities and counties using the formula established in subsection 4 of section 54-27-19. Moneys received by counties and cities must be used for roadway purposes in accordance with section 11 of article X of the Constitution of North Dakota.

**SECTION 4.** A new section to chapter 54-27 of the North Dakota Century Code is created and enacted as follows:

**Legacy earnings fund - State treasurer - Legacy fund distribution - Allocations.**

1. There is created in the state treasury the legacy earnings fund. The fund consists of all moneys distributed by the state treasurer from the legacy fund pursuant to section 26 of article X of the Constitution of North Dakota. The distribution from the legacy fund on July first of each odd-numbered year must be equal to seven percent of the five-year average value of the legacy fund balance as reported by the state investment board. The average value of the legacy fund balance must be calculated using the fund balance at the end of each fiscal year for the five-year period ending with the most recently completed even-numbered fiscal year.
2. From the amount distributed to the legacy earnings fund under subsection 1, the state treasurer shall allocate funding in July of each odd-numbered year in the following order:
  - a. The first one hundred two million six hundred twenty-four thousand dollars or an amount equal to the amount appropriated from the legacy sinking and interest fund for debt service payments for a biennium, whichever is less, to the legacy sinking and interest fund under section 6-09.4-10.1.

1            b. The next one hundred million dollars to the legacy earnings highway distribution  
2            fund for allocations under section 54-27-19.3.

3            c. The remaining amount to the legacy property tax relief fund under section 5 of  
4            this Act.

5            **SECTION 5.** A new section to chapter 54-27 of the North Dakota Century Code is created  
6 and enacted as follows:

7            **Legacy property tax relief fund.**

8            There is created in the state treasury the legacy property tax relief fund. The fund consists  
9 of all moneys allocated to the fund under section 4 of this Act and all moneys transferred to the  
10 fund by the legislative assembly.

11            **SECTION 6. AMENDMENT.** Subdivision c of subsection 1 of section 57-02-08.1 of the  
12 North Dakota Century Code is amended and reenacted as follows:

13            c. The exemption must be determined according to the following schedule:

14            (1) If the person's income is not in excess of ~~forty thousand~~ fifty thousand  
15            dollars, a reduction of one hundred percent of the taxable valuation of the  
16            person's homestead up to a maximum reduction of nine thousand dollars of  
17            taxable valuation.

18            (2) If the person's income is in excess of ~~forty thousand~~ fifty thousand dollars  
19            and not in excess of ~~seventy thousand~~ eighty thousand dollars, a reduction  
20            of fifty percent of the taxable valuation of the person's homestead up to a  
21            maximum reduction of four thousand five hundred dollars of taxable  
22            valuation.

23            **SECTION 7. AMENDMENT.** Subdivision b of subsection 2 of section 57-02-08.1 of the  
24 North Dakota Century Code is amended and reenacted as follows:

25            b. For the purpose of this subsection, twenty percent of the annual rent, exclusive of  
26            any federal rent subsidy and of charges for any utilities, services, furniture,  
27            furnishings, or personal property appliances furnished by the landlord as part of  
28            the rental agreement, whether expressly set out in the rental agreement, must be  
29            considered as payment made for property tax. When any part of the twenty  
30            percent of the annual rent exceeds four percent of the annual income of a  
31            qualified applicant, the applicant is entitled to receive a refund from the state

1           general fund for that amount in excess of four percent of the person's annual  
2           income, but the refund may not be in excess of ~~four hundred~~six hundred dollars.  
3           If the calculation for the refund is less than five dollars, a minimum of five dollars  
4           must be sent to the qualifying applicant.

5           **SECTION 8. AMENDMENT.** Section 57-02-08.10 of the North Dakota Century Code is  
6           amended and reenacted as follows:

7           **57-02-08.10. Primary residence credit - Certification - Distribution. (Effective through**  
8           **~~June 30, 2026~~August 1, 2025)**

- 9           1. By June first of each year~~2025~~, the tax commissioner shall:
- 10           a. Review the applications received under section 57-02-08.9, as it existed on  
11           December 31, 2024, and determine which applicants qualify for the credit allowed  
12           under section 57-02-08.9, as it existed on December 31, 2024; and
- 13           b. Provide to each county auditor:
- 14           (1) A copy of each approved application under subdivision a which identifies a  
15           primary residence located in the county; and
- 16           (2) The sum of the credits allowed under section 57-02-08.9, as it existed on  
17           December 31, 2024, in the county for the current taxable year.
- 18           2. The county auditor shall apply the credit under section 57-02-08.9, as it existed on  
19           December 31, 2024, to each primary residence identified by the tax commissioner as  
20           a qualifying primary residence on the corresponding property tax statement.
- 21           3. ~~By January first of each year, the county auditor shall certify to the tax commissioner~~  
22           ~~the sum of the credits approved by the tax commissioner under subsection 1 which~~  
23           ~~were applied toward property taxes owed on primary residences in the county for the~~  
24           ~~preceding year.~~
- 25           4. By June first of each year ~~after 2024~~2025, the tax commissioner shall review a  
26           sampling of information provided by the county auditor to verify the accuracy of the  
27           application of the credit and certify to the state treasurer for payment to each county  
28           the aggregate dollar amount of credits allowed under section 57-02-08.9, as it existed  
29           on December 31, 2024, in each county for the preceding year.
- 30           ~~5.4.~~ Within fourteen days of receiving the payment from the state treasurer, but no later  
31           than June thirtieth of each year ~~after 2024~~2025, the county treasurer shall apportion

1 and distribute the payment to the county and to the taxing districts of the county on the  
2 same basis as property taxes for the preceding year were apportioned and distributed.

3 ~~6-5.~~ Supplemental certifications by the county auditor and the tax commissioner and  
4 supplemental payments by the state treasurer may be made after the dates prescribed  
5 in this section to make corrections necessary because of errors.

6 ~~7-6.~~ The county auditors shall provide information requested by the tax commissioner to  
7 effectuate this section.

8 ~~8-7.~~ The tax commissioner shall prescribe, design, and make available all forms necessary  
9 to effectuate this section.

10 ~~SECTION 4. A new section to chapter 57-02 of the North Dakota Century Code is created~~  
11 ~~and enacted as follows:~~

12 ~~Primary residential valuation reduction – Qualification – Certification – State~~  
13 ~~reimbursement.~~

14 ~~1. A taxpayer is entitled to a reduction of the taxable valuation of the taxpayer's parcel of~~  
15 ~~primary residential property as defined under section 57-02-01 equal to three percent~~  
16 ~~of the assessed value of the parcel of primary residential property. The reduction~~  
17 ~~under this section must be applied before other credits under this chapter, including~~  
18 ~~the credits under sections 57-02-08.1 and 57-02-08.8, have been applied.~~

19 ~~2. Individuals residing together who are co-owners of the property but who are not~~  
20 ~~spouses or dependents each are entitled to a percentage of a full reduction under~~  
21 ~~subsection 1 equal to their ownership interests in the property.~~

22 ~~3. a. For taxable year 2025:~~

23 ~~(1) The county auditor shall apply the reduction under this section to each~~  
24 ~~parcel of primary residential property taxed as real estate under this title on~~  
25 ~~the corresponding tax statement.~~

26 ~~(2) The county auditor shall consider an application received under section~~  
27 ~~2 of this Act for primary residential property certification for a parcel of primary~~  
28 ~~residential property taxed as a mobile home under chapter 57-55 and identified by the~~  
29 ~~tax commissioner as a certified primary residence under section 2 of this Act as an~~  
30 ~~application for an abatement and refund of taxes in an amount consistent with the~~  
31 ~~reduction allowed. The county auditor shall present the application for abatement and~~

1 ~~refund of taxes to the board of county commissioners at its next regular meeting. The~~  
2 ~~county commissioners shall approve the applications filed under this paragraph as~~  
3 ~~soon as practicable and refunds must be issued without delay according to the~~  
4 ~~procedures in section 57-23-09. The application, notice, and hearing requirements and~~  
5 ~~procedures under chapter 57-23 and sections 57-55-04.1 and 57-55-12 do not apply~~  
6 ~~to an application for abatement and refund filed under this paragraph.~~

7 ~~b. For taxable years after 2025, the county auditor shall apply the reduction under~~  
8 ~~this section to each parcel of primary residential property on the corresponding~~  
9 ~~property tax statement or mobile home tax statement.~~

10 ~~4. A reduction under this section is valid for the entire taxable year for which the property~~  
11 ~~is certified as primary residential property, without regard to any change of ownership~~  
12 ~~of the property which occurs after the property was classified as primary residential~~  
13 ~~property for the taxable year.~~

14 ~~5. This section does not reduce the liability of any individual for special assessments~~  
15 ~~levied upon any property.~~

16 ~~6. A reduction of taxable valuation under this section may not be applied to reduce the~~  
17 ~~taxable valuation used for purposes of determining the amount subtracted from a~~  
18 ~~school district's state aid payment under subdivision a of subsection 4 of section~~  
19 ~~15.1-27-04.1.~~

20 ~~7. a. Before January 15, 2026, the county auditor of each county shall certify to the tax~~  
21 ~~commissioner, on forms prescribed by the tax commissioner the following~~  
22 ~~information applicable to taxable year 2025 for primary residential property taxed~~  
23 ~~as real estate under this title and taxable years 2025 and 2026 for primary~~  
24 ~~residential property taxed as a mobile home under chapter 57-55:~~

25 ~~(1) The full name, address, and social security or taxpayer identification number~~  
26 ~~of each individual or entity for whom the reduction under this section was~~  
27 ~~allowed;~~

28 ~~(2) The legal description of the property;~~

29 ~~(3) The taxable value of the property;~~

30 ~~(4) The dollar amount of each reduction in taxable value allowed;~~

1 ~~(5) The total of the tax mill rates used to calculate taxes for the corresponding~~  
2 ~~year of all taxing districts in which the property was contained, exclusive of~~  
3 ~~any state mill rates; and~~

4 ~~(6) Any other information prescribed by the tax commissioner.~~

5 ~~b. Before January fifteenth of each year after 2026, the county auditor of each~~  
6 ~~county shall certify to the tax commissioner, on forms prescribed by the tax~~  
7 ~~commissioner the following information applicable to the taxable year during~~  
8 ~~which the application under section 2 of this Act is filed for primary residential~~  
9 ~~property taxed as real estate under this title and the taxable year succeeding the~~  
10 ~~taxable year during which the application under section 2 of this Act is filed for~~  
11 ~~primary residential property taxed as a mobile home under chapter 57-55:~~

12 ~~(1) The full name, address, and social security or taxpayer identification number~~  
13 ~~of each individual or entity for whom the reduction under this section was~~  
14 ~~allowed for the corresponding taxable year;~~

15 ~~(2) The legal description of the property;~~

16 ~~(3) The taxable value of the property;~~

17 ~~(4) The dollar amount of each reduction in taxable value allowed;~~

18 ~~(5) The total of the tax mill rates used to calculate taxes for the corresponding~~  
19 ~~year of all taxing districts in which the property was contained, exclusive of~~  
20 ~~any state mill rates; and~~

21 ~~(6) Any other information prescribed by the tax commissioner.~~

22 ~~8. a. By March 15, 2026, the tax commissioner shall:~~

23 ~~(1) Review the certifications under subdivision a of subsection 7, make any~~  
24 ~~required corrections, and certify to the state treasurer for payment to each~~  
25 ~~county the sum of the amounts computed by:~~

26 ~~(a) For primary residential valuation reductions for primary residential~~  
27 ~~property taxed as real estate for taxable year 2025, multiplying the~~  
28 ~~reduction allowed for each qualifying parcel of primary residential~~  
29 ~~property taxed as real estate under this title in the county for taxable~~  
30 ~~year 2025 by the total of the tax mill rates for taxable year 2025 of all~~  
31 ~~taxing districts in which the property was located.~~

1 ~~(b) For primary residential valuation reductions for primary residential~~  
2 ~~property taxed as mobile homes under chapter 57-55 for taxable year~~  
3 ~~2025, multiplying the reduction allowed for each qualifying parcel of~~  
4 ~~primary residential property taxed as a mobile home under chapter~~  
5 ~~57-55 in the county for taxable year 2025 by the total of the tax mill~~  
6 ~~rates used to calculate mobile home taxes under chapter 57-55 in~~  
7 ~~taxable year 2025 of all taxing districts in which the property was~~  
8 ~~located.~~

9 ~~(c) For primary residential valuation reductions for primary residential~~  
10 ~~property taxed as mobile homes under chapter 57-55 for taxable year~~  
11 ~~2026, multiplying the reduction allowed for each qualifying parcel of~~  
12 ~~primary residential property taxed as a mobile home under chapter~~  
13 ~~57-55 in the county for taxable year 2026 by the total of the tax mill~~  
14 ~~rates used to calculate mobile home taxes under chapter 57-55 in~~  
15 ~~taxable year 2026 of all taxing districts in which the property was~~  
16 ~~located.~~

17 ~~(2) Certify to the state treasurer for deposit in the state medical center fund the~~  
18 ~~amount computed by multiplying one mill times the reduction allowed under~~  
19 ~~this section for primary residential property taxed as real estate for taxable~~  
20 ~~year 2025 and primary residential property taxed as mobile homes under~~  
21 ~~chapter 57-55 for taxable years 2025 and 2026.~~

22 ~~b. By March fifteenth of each year after 2026, the tax commissioner shall:~~

23 ~~(1) Review the certifications under subdivision b of subsection 7, make any~~  
24 ~~required corrections, and certify to the state treasurer for payment to each~~  
25 ~~county the sum of the amounts computed by:~~

26 ~~(a) Multiplying the reduction allowed for each qualifying parcel of primary~~  
27 ~~residential property taxed as real estate under this title in the county~~  
28 ~~for the preceding year by the total of the tax mill rates for the~~  
29 ~~preceding year of all taxing districts in which the property was located.~~

30 ~~(b) Multiplying the reduction allowed for each qualifying parcel of primary~~  
31 ~~residential property taxed as a mobile home under chapter 57-55 in~~



1 the county for the current year by the total of the tax mill rates used to  
2 calculate mobile home taxes under chapter 57-55 for the current  
3 taxable year of all taxing districts in which the property was located.

4 ~~(2) Certify annually to the state treasurer for deposit in the state medical center~~  
5 ~~fund the amount computed by multiplying one mill times the reduction~~  
6 ~~allowed under this section for all eligible parcels of primary residential~~  
7 ~~property in the state for:~~

8 ~~(a) The taxable year during which the application under section 2 of this~~  
9 ~~Act is filed for primary residential property taxed as real estate under~~  
10 ~~this title.~~

11 ~~(b) The taxable year succeeding the taxable year during which the~~  
12 ~~application under section 2 of this Act is filed for primary residential~~  
13 ~~property taxed as a mobile home under chapter 57-55.~~

14 ~~c. In reviewing certifications, the tax commissioner may refer to any income tax~~  
15 ~~return information or other information available to the tax commissioner.~~

16 ~~9. Within fourteen days of receiving the payment from the state treasurer, the county~~  
17 ~~treasurer shall apportion and distribute the payment without delay to the county and to~~  
18 ~~the taxing districts of the county on the same basis property taxes under this chapter~~  
19 ~~and mobile home taxes under chapter 57-55 were apportioned and distributed for the~~  
20 ~~taxable year in which the taxes were levied.~~

21 ~~10. Supplemental certifications by the county auditor and the tax commissioner and~~  
22 ~~supplemental payments by the state treasurer may be made after the dates prescribed~~  
23 ~~in this section to make any corrections necessary because of errors or approval of any~~  
24 ~~application for equalization or abatement filed by an individual or entity because all or~~  
25 ~~part of the reduction under this section was not allowed.~~

26 ~~11. The tax commissioner shall prescribe, design, and make available all forms necessary~~  
27 ~~to effectuate this section.~~

28  
29 **SECTION 9.** A new section to chapter 57-02 of the North Dakota Century Code is created  
30 and enacted as follows:

1 Qualifying Residential, agricultural, and commercial property valuation reduction -  
2 Qualification - Certification - State reimbursement.

- 3 1. A taxpayer is entitled to a reduction of the taxable valuation of the taxpayer's parcel of  
4 qualifying residential property, agricultural property, or commercial property or  
5 qualifying agricultural property as provided in this section. The reduction is equal to:  
6 a. For a parcel of qualifying agricultural residential property, two and three-fourths  
7 percent of the assessed value of the parcel property.  
8 b. For a parcel of qualifying agricultural property and commercial property, one and  
9 one-half percent of the assessed value of the parcel property.
- 10 2. The reduction under this section must be applied before other credits under this  
11 chapter.
- 12 3. Persons who are co-owners of the property but who are not spouses or dependents  
13 each are entitled to a percentage of a full reduction under subsection 1 equal to their  
14 ownership interests in the property.
- 15 4. To apply for the reduction under this section, an owner shall sign and file with the tax  
16 commissioner by August first of each year an application containing a verified  
17 statement of facts establishing the owner's property meets the eligibility requirements  
18 to be considered qualifying commercial property or qualifying agricultural property  
19 under this section as of the date of the application on a form and in the manner  
20 prescribed by the tax commissioner.
- 21 ~~5. By October first of each year, the tax commissioner shall:~~  
22 ~~a. Review the applications received under subsection 4 and determine which~~  
23 ~~applicants qualify for the reduction under this section; and~~  
24 ~~b. Provide to each county director of tax equalization a copy of each approved or~~  
25 ~~rejected application which identifies property located in the county.~~
- 26 ~~6. The county director of tax equalization shall attach each approved application to the~~  
27 ~~assessment list and list the amount of the reduction allowed on the assessment list.~~
- 28 ~~7. The tax department may request additional documentation from the applicant when~~  
29 ~~making the determination of eligibility.~~
- 30 ~~8. If an applicant is found to have claimed a reduction fraudulently under this section to~~  
31 ~~which that applicant is not entitled, all reductions under this section for that applicant~~

- 1 ~~for that taxable year must be canceled. If an applicant received a reduction that is~~  
2 ~~canceled under this section, the auditor of the county in which the property is located~~  
3 ~~shall enter the amount of the canceled reduction as omitted property on the~~  
4 ~~assessment list of property that has escaped taxation.~~
- 5 ~~9.~~ Determinations of eligibility for a reduction under this section may be appealed through  
6 the equalization and abatement process.
- 7 ~~10.5.~~ The county auditor shall apply the reduction under this section ~~to each parcel of~~  
8 ~~qualifying commercial property or qualifying agricultural property~~ on the corresponding  
9 property tax ~~or mobile home tax~~ statement.
- 10 ~~11.~~ A reduction under this section is valid for the entire taxable year for which the claim  
11 ~~was approved, without regard to any change of ownership of the property which~~  
12 ~~occurs after the claim was approved for the taxable year.~~
- 13 ~~12.6.~~ This section does not reduce the liability of any owner for special assessments levied  
14 upon any property.
- 15 ~~13.7.~~ A reduction of taxable valuation under this section may not be applied to reduce the  
16 taxable valuation used for purposes of determining the amount subtracted from a  
17 school district's state aid payment under subdivision a of subsection 4 of section  
18 15.1-27-04.1.
- 19 ~~14.8.~~ Before January fifteenth of each year after 2025, the county auditor of each county  
20 shall certify to the tax commissioner, on forms prescribed by the tax commissioner, the  
21 following information ~~applicable to the preceding taxable year for property taxed as~~  
22 ~~real estate under this title and the current taxable year for property taxed as a mobile~~  
23 ~~home under chapter 57-55:~~
- 24 a. ~~The full name, address, and social security or taxpayer identification number of~~  
25 ~~each individual or entity for whom the reduction under this section was allowed~~  
26 ~~for the preceding~~corresponding taxable year;
- 27 b. ~~The legal description of the property;~~
- 28 c. ~~The taxable value of the property;~~
- 29 d. ~~The dollar amount of each reduction in taxable value allowed;~~

1 e. The total of the tax mill rates used to calculate taxes for the  
2 ~~preceding~~~~corresponding~~ year of all taxing districts in which the property was  
3 contained, exclusive of any state mill rates; and

4 f. Any other information prescribed by the tax commissioner.

5 ~~15.9.~~ By March fifteenth of each year after 2025, the tax commissioner shall:

6 a. Review the certifications under subsection ~~148~~, make any required corrections,  
7 and certify to the state treasurer for payment to each county the sum of the  
8 amounts computed by ~~multiplying~~:

9 (1) ~~Multiplying~~ the reduction allowed for each parcel of ~~qualifying~~residential  
10 property, agricultural property, and ~~qualifying~~ commercial property ~~taxed as~~  
11 real estate under this title in the county for the preceding taxable year by the  
12 total of the tax mill rates for the preceding taxable year of all taxing districts  
13 in which the property was located.

14 (2) ~~Multiplying~~ the reduction allowed for each parcel of residential property and  
15 commercial property taxed as a mobile home under chapter 57-55 in the  
16 county for the current taxable year by the total of the tax mill rates used to  
17 calculate mobile home taxes under chapter 57-55 for the current taxable  
18 year of all taxing districts in which the property was located.

19 b. Certify annually to the state treasurer for deposit in the state medical center fund  
20 the amount computed by multiplying one mill times the reduction allowed under  
21 this section for all parcels of ~~qualifying~~residential property, agricultural property,  
22 and ~~qualifying~~ commercial property in the state for ~~the~~:

23 (1) The preceding taxable year for property taxed as real estate under this title.

24 (2) The current taxable year for property taxed as a mobile home under chapter  
25 57-55.

26 ~~16.~~ In reviewing certifications, the tax commissioner may refer to any income tax return  
27 information or other information available to the tax commissioner.

28 ~~17.10.~~ Within fourteen days of receiving the payment from the state treasurer, the county  
29 treasurer shall apportion and distribute the payment without delay to the county and to  
30 the taxing districts of the county on the same basis property taxes under this chapter

1 and mobile home taxes under chapter 57-55 were apportioned and distributed for the  
2 preceding taxable year in which the taxes were levied.

3 ~~18.11.~~ Supplemental certifications by the county auditor and the tax commissioner and  
4 supplemental payments by the state treasurer may be made after the dates prescribed  
5 in this section to make any corrections necessary because of errors or approval of any  
6 application for equalization or abatement filed by an individual or entity because all or  
7 part of the reduction under this section was not allowed.

8 ~~19.12.~~ The tax commissioner shall prescribe, design, and make available all forms necessary  
9 to effectuate this section. ~~Application forms must include the full name and address of~~  
10 ~~the applicant and any other information prescribed by the tax commissioner. The~~  
11 ~~county director of tax equalization shall make these forms available to applicants upon~~  
12 ~~request.~~

13 ~~20.13.~~ For purposes of this section:

- 14 a. ~~"Domicile" has the meaning provided under section 47-30.2-01~~ "Commercial  
15 property" means commercial property as defined under section 57-02-01 and  
16 mobile homes used for commercial purposes and taxed under chapter 57-55.
- 17 b. ~~"Owned" means an individual or entity holds a present ownership interest,~~  
18 ~~including ownership in fee simple, holds a present life estate or other terminable~~  
19 ~~present ownership interest, or is a purchaser under a contract for deed. The term~~  
20 ~~does not include a mere right of occupancy or a tenancy under a lease.~~
- 21 ~~c. "Qualifying agricultural property" means agricultural property, as defined under~~  
22 ~~section 57-02-01, which is owned by an individual who is a resident of the state~~  
23 ~~or an entity that is domiciled in the state.~~
- 24 ~~d. "Qualifying commercial property" means commercial property, as defined under~~  
25 ~~section 57-02-01, which is owned by an individual who is a resident of the state~~  
26 ~~or an entity that is domiciled in the state~~ "Residential property" means residential  
27 property as defined under section 57-02-01 and mobile homes used for  
28 residential purposes and taxed under chapter 57-55.

29 ~~SECTION 6. AMENDMENT. Section 57-02-27 of the North Dakota Century Code is~~  
30 ~~amended and reenacted as follows:~~

~~1 — 57-02-27. Property to be valued at a percentage of assessed value — Classification of  
2 property — Limitation on valuation of annexed agricultural lands.~~

~~3 — 1. All property subject to taxation based on the value thereof must be valued as follows:~~

~~4 — 1.a. All primary residential property and nonprimary residential property to be valued  
5 at nine percent of assessed value. If any property is used for both primary  
6 residential, nonprimary residential, and nonresidential purposes, the valuation  
7 must be prorated accordingly.~~

~~8 — 2.b. All agricultural property to be valued at ten percent of assessed value as  
9 determined pursuant to section 57-02-27.2.~~

~~10 — 3.c. All commercial property to be valued at ten percent of assessed value.~~

~~11 — 4.d. All centrally assessed property to be valued at ten percent of assessed value  
12 except as provided in section 57-06-14.1.~~

~~13 — 2. The resulting amounts must be resulting from the calculation under subsection 1 are  
14 known as the taxable valuation.~~

~~15 — 3. In determining the assessed value of real and personal property, except agricultural  
16 property, the assessor may not adopt a lower or different standard of value because  
17 the same is to serve as a basis of taxation, nor may the assessor adopt as a criterion  
18 of value the price at which said property would sell at auction, or at forced sale, or in  
19 the aggregate with all the property in the town or district, but the assessor shall value  
20 each article or description by itself, and at such sum or price as the assessor believes  
21 the same to be fairly worth in money. In assessing any tract or lot of real property,  
22 there must be determined the value of the land, exclusive of improvements, and the  
23 value of all taxable improvements and structures thereon, and the aggregate value of  
24 the property, including all taxable structures and other improvements, excluding the  
25 value of crops growing upon cultivated lands. In valuing any real property upon which  
26 there is a coal or other mine, or stone or other quarry, the same must be valued at  
27 such a price as such property, including the mine or quarry, would sell for at a fair  
28 voluntary sale for cash. Agricultural lands within the corporate limits of a city which are  
29 not platted constitute agricultural property and must be so classified and valued for  
30 ad valorem property tax purposes until such lands are put to another use. Agricultural  
31 lands, whether within the corporate limits of a city or not, which were platted and~~

1           assessed as agricultural property prior to March 30, 1981, must be assessed as  
2           agricultural property for ad valorem property tax purposes until put to another use.  
3           Such valuation must be uniform with the valuation of adjoining unannexed agricultural  
4           land.

5       — **SECTION 8. AMENDMENT.** Section 57-02-27.1 of the North Dakota Century Code is  
6       amended and reenacted as follows:

7       — **57-02-27.1. Property to be valued at true and full value.**

8       — 1. All assessors and boards of equalization shall place the values of all items of taxable  
9       property at the true and full value of the property except as otherwise specifically  
10       provided by law, and the amount of taxes that may be levied on such property must be  
11       limited as provided in this chapter. For the purposes of sections 57-02-27, 57-02-27.1,  
12       57-02-27.2, and 57-55-04, the term "true and full value" has the same meaning as  
13       provided in subsection 15 of section 57-02-01, except that "true and full value" of  
14       agricultural lands must be as determined pursuant to section 57-02-27.2.

15       — 2. The governing body of the city or township may establish valuations that recognize the  
16       supply of vacant lots available for sale.

17       **SECTION 10.** A new section to chapter 57-02 of the North Dakota Century Code is created  
18       and enacted as follows:

19       **Limitation on taxable valuation increases.**

- 20       1. Notwithstanding any other provision of law, the taxable valuation on any parcel of  
21       taxable property may not exceed by more than three percent the amount of the  
22       taxable valuation on that parcel of taxable property in the preceding taxable year,  
23       except to the extent improvements to the property have been made which were not  
24       included in the taxable valuation of the property in the preceding taxable year. The  
25       limitation in this section applies regardless of a sale, transfer, or other change in  
26       ownership of the property.
- 27       2. Taxable valuations exceeding the limitations under subsection 1 may be imposed upon  
28       approval of a ballot measure, stating the proposed maximum allowable percentage  
29       increase in taxable valuation, by a majority of the qualified electors of the taxing district  
30       voting on the question at a statewide general or primary election. Taxable valuations

exceeding the limitations under subsection 1 may be approved by electors for not more than six taxable years at a time.

3. A city or county may not supersede or modify the application of this section under home rule authority.

**SECTION 11. AMENDMENT.** Subsection 1 of section 57-38-30.3 of the North Dakota Century Code is amended and reenacted as follows:

1. A tax is hereby imposed for each taxable year upon income earned or received in that taxable year by every resident and nonresident individual, estate, and trust. A taxpayer computing the tax under this section is only eligible for those adjustments or credits that are specifically provided for in this section. Provided, that for purposes of this section, any person required to file a state income tax return under this chapter, but who has not computed a federal taxable income figure, shall compute a federal taxable income figure using a pro forma return in order to determine a federal taxable income figure to be used as a starting point in computing state income tax under this section. The tax for individuals is equal to North Dakota taxable income multiplied by the rates in the applicable rate schedule in subdivisions a through d corresponding to an individual's filing status used for federal income tax purposes. For an estate or trust, the schedule in subdivision e must be used for purposes of this subsection.

a. Single, other than head of household or surviving spouse, and married filing separately.

If North Dakota taxable income is:

Over	Not over	The tax is equal to	Of amount over
<del>\$0</del>	<del>\$44,725</del>	<del>\$0.00 + 0.00%</del>	<del>\$0</del>
<del>\$44,725</del>	<del>\$225,975</del>	<del>\$0.00 + 1.95%</del>	<del>\$44,725</del>
<del>\$225,975</del>		<del>\$3,534.38 + 2.50%</del>	<del>\$225,975</del>
<u>\$0</u>	<u>\$48,475</u>	<u>\$0.00 + 0.00%</u>	<u>\$0</u>
<u>\$48,475</u>	<u>\$244,825</u>	<u>\$0.00 + 1.95%</u>	<u>\$48,475</u>
<u>\$244,825</u>		<u>\$3,828.83 + 2.50%</u>	<u>\$244,825</u>

b. Married filing jointly and surviving spouse.

If North Dakota taxable income is:



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1	Over	Not over	The tax is equal to	Of amount over
2	\$0	\$74,750	\$0.00 + 0.00%	\$0
3	\$74,750	\$275,100	\$0.00 + 1.95%	\$74,750
4	\$275,100		\$3,906.83 + 2.50%	\$275,100
5	Over	Not over	The tax is equal to	Of amount over
6	\$0	\$96,950	\$0.00 + 0.00%	\$0
7	\$96,950	\$489,650	\$0.00 + 1.95%	\$96,950
8	\$489,650		\$7,657.65 + 2.50%	\$489,650
9	c. Married filing separately.			
10	If North Dakota taxable income is:			
11	Over	Not over	The tax is equal to	Of amount over
12	\$0	\$37,375	\$0.00 + 0.00%	\$0
13	\$37,375	\$137,550	\$0.00 + 1.95%	\$37,375
14	\$137,550		\$1,953.41 + 2.50%	\$137,550
15	d. Head of household.			
16	If North Dakota taxable income is:			
17	Over	Not over	The tax is equal to	Of amount over
18	\$0	\$59,950	\$0.00 + 0.00%	\$0
19	\$59,950	\$250,550	\$0.00 + 1.95%	\$59,950
20	\$250,550		\$3,716.70 + 2.50%	\$250,550
21	\$0	\$72,713	\$0.00 + 0.00%	\$0
22	\$72,713	\$367,238	\$0.00 + 1.95%	\$72,713
23	\$367,238		\$5,743.24 + 2.50%	\$367,238
24	e-d. Estates and trusts.			
25	If North Dakota taxable income is:			
26	Over	Not over	The tax is equal to	Of amount over
27	\$0	\$3,000	\$0.00 + 0.00%	\$0
28	\$3,000	\$10,750	\$0.00 + 1.95%	\$3,000
29	\$10,750		\$151.13 + 2.50%	\$10,750
30	\$0	\$3,250	\$0.00 + 0.00%	\$0

1	\$3,250	\$11,650	\$0.00 + 1.95%	\$3,250
2	\$11,650		\$163.80 + 2.50%	\$11,650

**f.e.** For an individual who is not a resident of this state for the entire year, or for a nonresident estate or trust, the tax is equal to the tax otherwise computed under this subsection multiplied by a fraction in which:

- (1) The numerator is the federal adjusted gross income allocable and apportionable to this state; and
- (2) The denominator is the federal adjusted gross income from all sources reduced by the net income from the amounts specified in subdivisions a and b of subsection 2.

In the case of married individuals filing a joint return, if one spouse is a resident of this state for the entire year and the other spouse is a nonresident for part or all of the tax year, the tax on the joint return must be computed under this subdivision.

**g.f.** The tax commissioner shall prescribe new rate schedules that apply in lieu of the schedules set forth in subdivisions a through **ed**. The new schedules must be determined by increasing the minimum and maximum dollar amounts for each income bracket for which a tax is imposed by the cost-of-living adjustment for the taxable year as determined by the secretary of the United States treasury for purposes of section 1(f) of the United States Internal Revenue Code of 1954, as amended. For this purpose, the rate applicable to each income bracket may not be changed, and the manner of applying the cost-of-living adjustment must be the same as that used for adjusting the income brackets for federal income tax purposes.

**h.g.** The tax commissioner shall prescribe an optional simplified method of computing tax under this section that may be used by an individual taxpayer who is not entitled to claim an adjustment under subsection 2 or credit against income tax liability under subsection 7.

**SECTION 12. AMENDMENT.** Subsection 7 of section 57-38-30.3 of the North Dakota Century Code is amended and reenacted as follows:

7. A taxpayer filing a return under this section is entitled to the following tax credits:

- 1 a. Family care tax credit under section 57-38-01.20.
- 2 b. Renaissance zone tax credits under sections 40-63-04, 40-63-06, and 40-63-07.
- 3 c. Agricultural business investment tax credit under section 57-38.6-03.
- 4 d. Seed capital investment tax credit under section 57-38.5-03.
- 5 e. Planned gift tax credit under section 57-38-01.21.
- 6 f. Biodiesel fuel or green diesel fuel tax credits under sections 57-38-01.22 and
- 7 57-38-01.23.
- 8 g. Internship employment tax credit under section 57-38-01.24.
- 9 h. Workforce recruitment credit under section 57-38-01.25.
- 10 i. ~~Marriage penalty credit under section 57-38-01.28.~~
- 11 ~~j.~~ Research and experimental expenditures under section 57-38-30.5.
- 12 ~~k.~~j. Geothermal energy device installation credit under section 57-38-01.8.
- 13 ~~l.~~k. Long-term care partnership plan premiums income tax credit under section
- 14 57-38-29.3.
- 15 ~~m.~~l. Employer tax credit for salary and related retirement plan contributions of
- 16 mobilized employees under section 57-38-01.31.
- 17 ~~n.~~m. Income tax credit for passthrough entity contributions to private education
- 18 institutions under section 57-38-01.7.
- 19 ~~o.~~n. Angel investor tax credit under section 57-38-01.26.
- 20 ~~p.~~o. Income tax credit for employment of individuals with developmental disabilities or
- 21 severe mental illness under section 57-38-01.16.
- 22 ~~q.~~p. Adoption tax credit under section 57-38-01.38.
- 23 ~~r.~~q. Tax credit for contributions to a maternity home, child-placing agency, or
- 24 pregnancy help center under section 57-38-01.39.
- 25 ~~s.~~r. Apprenticeship tax credit under section 57-38-01.40.
- 26 ~~t.~~s. Twenty-first century manufacturing and animal agricultural workforce incentive
- 27 under section 57-38-01.41.

28

29 **SECTION 13.** A new subdivision to subsection 1 of section 57-55-10 of the North Dakota  
30 Century Code is created and enacted as follows:

1                    If it is owned by ~~an individual who~~ a taxpayer that qualifies for the ~~primary~~  
2                    ~~residential~~-valuation reduction under section 49 of this Act, to the extent to which  
3                    the ~~individual~~ taxpayer is entitled to the reduction.

4                    **SECTION 14. REPEAL.** Sections 21-10-12 and 21-10-13 of the North Dakota Century  
5 Code are repealed.

6                    **SECTION 15. REPEAL.** ~~Section~~ Sections 57-02-08.9 and 57-38-01.28 of the North Dakota  
7 Century Code ~~is~~ are repealed.

8                    **SECTION 16. APPROPRIATION - TRANSFER - GENERAL FUND TO LEGACY**  
9 **PROPERTY TAX RELIEF FUND - TAX COMMISSIONER.**

- 10                    1. There is appropriated out of any moneys in the general fund in the state treasury, not  
11 otherwise appropriated, the sum of \$85,001,793, which the office of management and  
12 budget shall transfer to the legacy property tax relief fund, during the biennium  
13 beginning July 1, 2025, and ending June 30, 2027. For legislative council budget  
14 status reporting purposes, the transfer under this subsection is considered an ongoing  
15 funding item.
- 16                    2. There is appropriated out of any moneys in the legacy property tax relief fund, not  
17 otherwise appropriated, the sum of \$483,400,000, or so much of the sum as may be  
18 necessary, to the tax commissioner for the state reimbursement of the residential  
19 property, agricultural property, and commercial property taxable valuation reduction for  
20 the biennium beginning July 1, 2025, and ending June 30, 2027. Of the \$483,400,000,  
21 \$85,001,793 is from the general fund pursuant to subsection 1, and \$398,398,207 is  
22 from the legacy earnings fund.

23                    **SECTION 17. EFFECTIVE DATE.** Sections ~~1, 2, 4, 5, 6, 7, 89, 10, 11, 12, 13,~~ and ~~915~~ of  
24 this Act are effective for taxable years beginning after December 31, 2024.