

**Fifty-sixth Legislative Assembly, State of North Dakota, begun in the  
Capitol in the City of Bismarck, on Tuesday, the fifth day of January,  
one thousand nine hundred and ninety-nine**

HOUSE BILL NO. 1363  
(Representatives Renner, Nicholas, Rennerfeldt)  
(Senators Urlacher, Wanzek)

AN ACT to amend and reenact paragraph 3 of subdivision b of subsection 15 of section 57-02-08 of the North Dakota Century Code, relating to inclusion of depreciation expenses from farming activities in net income for purposes of the farm buildings property tax exemption; and to provide an effective date.

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

**SECTION 1. AMENDMENT.** Paragraph 3 of subdivision b of subsection 15 of section 57-02-08 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

- (3) "Net income from farming activities" described in paragraph 2 means taxable income from those activities as computed for income tax purposes pursuant to chapter 57-38 adjusted to include the following:
  - (a) The difference between gross sales price less expenses of sale and the amount reported for sales of agricultural products for which the farmer reported a capital gain.
  - (b) Interest expenses from farming activities which have been deducted in computing taxable income.
  - (c) Depreciation expenses from farming activities which have been deducted in computing taxable income.

**SECTION 2. EFFECTIVE DATE.** This Act is effective for taxable years beginning after December 31, 1998.

\_\_\_\_\_  
Speaker of the House

\_\_\_\_\_  
President of the Senate

\_\_\_\_\_  
Chief Clerk of the House

\_\_\_\_\_  
Secretary of the Senate

This certifies that the within bill originated in the House of Representatives of the Fifty-sixth Legislative Assembly of North Dakota and is known on the records of that body as House Bill No. 1363.

House Vote:      Yeas    90          Nays    4          Absent    4

Senate Vote:    Yeas    47          Nays    0          Absent    2

\_\_\_\_\_  
Chief Clerk of the House

Received by the Governor at \_\_\_\_\_ M. on \_\_\_\_\_, 1999.

Approved at \_\_\_\_\_ M. on \_\_\_\_\_, 1999.

\_\_\_\_\_  
Governor

Filed in this office this \_\_\_\_\_ day of \_\_\_\_\_, 1999,  
at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

\_\_\_\_\_  
Secretary of State