

HOUSE BILL NO. 1291

Introduced by

Representatives Berg, Brusegaard, Nelson

Senator Wanzek

1 A BILL for an Act to amend and reenact subsection 4 of section 57-38.5-01 of the North Dakota
2 Century Code, relating to definition of qualified business in which an investment may be made
3 to qualify for the seed capital investment tax credit; and to provide an effective date.

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

5 **SECTION 1. AMENDMENT.** Subsection 4 of section 57-38.5-01 of the North Dakota
6 Century Code is amended and reenacted as follows:

7 4. "Qualified business" means ~~a~~ :

8 ~~a.~~ A primary sector business that:

9 ~~a.~~ (1) Is incorporated or its satellite operation is incorporated as a for-profit
10 corporation or is a partnership, limited partnership, limited liability
11 company, limited liability partnership, or joint venture;

12 ~~b.~~ (2) Is in compliance with the requirements for filings with the securities
13 commissioner under the securities laws of this state;

14 ~~c.~~ (3) Has North Dakota residents as a majority of its employees in the North
15 Dakota principal office or the North Dakota satellite operation;

16 ~~d.~~ (4) Has its principal office in this state and has the majority of its business
17 activity performed in this state, except sales activity, or has a significant
18 operation in North Dakota that has or is projected to have more than
19 twenty-five employees or two hundred fifty thousand dollars of sales
20 annually; and

21 ~~e.~~ (5) Has a majority of its ownership interests owned by one or more
22 individuals for whom operation of the business is their full-time
23 professional activity; or

24 b. An organization that:

- 1 (1) Is in compliance with the requirements for filings with the securities
- 2 commissioner under the securities laws of this state; and
- 3 (2) Attracts investments to build and own a value-added agricultural
- 4 processing facility that it leases with an option to purchase to a primary
- 5 sector business that qualifies under subdivision a.

6 **SECTION 2. EFFECTIVE DATE.** This Act is effective for taxable years beginning after
7 December 31, 2000.