

HOUSE BILL NO. 1210

Introduced by

Representatives Onstad, DeKrey, Griffin, S. Meyer

Senator Heitkamp

1 A BILL for an Act to create and enact a new subsection to section 57-35.3-05, a new section to
2 chapter 57-38, and a new subsection to section 57-38-30.3 of the North Dakota Century Code,
3 relating to a financial institution's tax credit and a corporate and individual income tax credit for
4 contributions to community endowment funds; and to provide an effective date.

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

6 **SECTION 1.** A new subsection to section 57-35.3-05 of the North Dakota Century Code
7 is created and enacted as follows:

8 There is allowed a credit against the tax imposed by sections 57-35.3-01 through
9 57-35.3-12 in an amount equal to twenty percent of the aggregate amount of
10 contributions made by the taxpayer during the taxable year to a community
11 endowment fund as provided under section 2 of this Act. The amount allowable as
12 a credit under this subsection for any taxable year may not exceed five and
13 seven-tenths percent of the tax before credits allowed under this section. Any
14 unused portion of the credit may be carried forward for up to three taxable years.

15 **SECTION 2.** A new section to chapter 57-38 of the North Dakota Century Code is
16 created and enacted as follows:

17 **Credit for contributions to community endowment funds.** An individual or
18 corporation is entitled to a credit against the tax imposed under section 57-38-29, 57-38-30, or
19 57-38-30.3 in an amount equal to twenty percent of the amount contributed during the taxable
20 year by the taxpayer to a community endowment fund certified by the department of commerce.
21 The credit under this section may not exceed the taxpayer's tax liability under this chapter. Any
22 unused portion of the credit may be carried forward for up to three taxable years. To be
23 certified as a community endowment fund under this section, the fund must:

- 1 1. Be established and operated for community betterment in a defined area of this
2 state which does not include any property within the limits of any city of more than
3 five thousand population;
- 4 2. Be governed by a board of directors, each member of which is a resident of the
5 defined area of operation of the fund;
- 6 3. Be used to provide funding assistance for community betterment projects intended
7 to:
 - 8 a. Enhance the quality of life in the community;
 - 9 b. Generate opportunities that will attract and retain young people and families;
 - 10 c. Foster a cohesive and public-spirited community; or
 - 11 d. Enhance the image or appearance of the community or tourism interest in the
12 community; and
- 13 4. Avoid providing funding assistance to any individual or business that does not
14 provide approximately equal benefits to all members of the community.

15 **SECTION 3.** A new subsection to section 57-38-30.3 of the North Dakota Century Code
16 is created and enacted as follows:

17 A taxpayer filing a return under this section is entitled to the credit provided under
18 section 2 of this Act.

19 **SECTION 4. EFFECTIVE DATE.** This Act is effective for taxable years beginning after
20 December 31, 2006.