

SENATE BILL NO.

Introduced by

Senator Horne

1 A BILL for an Act to create and enact a new section to chapter 57-38 and a new subdivision to
2 subsection 7 of section 57-38-30.3 of the North Dakota Century Code, relating to an income tax
3 credit for dependent care expenses; and to provide an effective date.

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

5 **SECTION 1.** A new section to chapter 57-38 of the North Dakota Century Code is
6 created and enacted as follows:

7 **Dependent care credit.** A taxpayer is entitled to a tax credit against tax liability as
8 determined under section 57-38-29 or 57-38-30.3 equal to fourteen percent of the federal
9 dependent care credit to which the taxpayer was entitled under section 21 of the Internal
10 Revenue Code [26 U.S.C. 21] for dependent care expenses incurred to enable the taxpayer to
11 be gainfully employed in this state for the same taxable year. A taxpayer claiming the credit
12 under this section must use the same filing status as was used for the taxpayer's federal
13 income tax return. The credit under this section may not exceed the taxpayer's tax liability for
14 the taxable year.

15 **SECTION 2.** A new subdivision to subsection 7 of section 57-38-30.3 of the North
16 Dakota Century Code is created and enacted as follows:

17 Dependent care credit under section 1 of this Act.

18 **SECTION 3. EFFECTIVE DATE.** This Act is effective for taxable years beginning after
19 December 31, 2008.