

Sixty-first
Legislative Assembly
of North Dakota

HOUSE BILL NO. 1289

Introduced by

Representatives DeKrey, Onstad

Senators Taylor, Wanzek

1 A BILL for an Act to create and enact a new subsection to section 57-39.2-01 of the North
2 Dakota Century Code, relating to definition of irrigation equipment repair parts; to amend and
3 reenact subsection 45 of section 57-39.2-04 and section 57-39.5-02 of the North Dakota
4 Century Code, relating to an exemption from sales, use, and farm machinery gross receipts
5 taxes for sales of irrigation equipment repair parts used exclusively for agricultural purposes;
6 and to provide an effective date.

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

8 **SECTION 1.** A new subsection to section 57-39.2-01 of the North Dakota Century Code
9 is created and enacted as follows:

10 "Irrigation equipment repair parts" means repair or replacement parts for irrigation
11 equipment which have a specific or generic part number assigned by the
12 manufacturer of the irrigation equipment. The term does not include tires, fluid,
13 gas, grease, lubricant, wax, or paint.

14 **SECTION 2. AMENDMENT.** Subsection 45 of section 57-39.2-04 of the North Dakota
15 Century Code is amended and reenacted as follows:

16 45. Gross receipts from the sale or lease of farm machinery, farm machinery repair
17 parts, ~~or~~ irrigation equipment, or irrigation equipment repair parts used exclusively
18 for agricultural purposes.

19 **SECTION 2. AMENDMENT.** Section 57-39.5-02 of the North Dakota Century Code is
20 amended and reenacted as follows:

21 **57-39.5-02. Imposition - Exemptions.** There is imposed a tax of three percent upon
22 the gross receipts of retailers from all sales at retail, including the leasing or renting, of farm
23 machinery or irrigation equipment used exclusively for agricultural purposes. Gross receipts
24 from sales at retail of farm machinery or irrigation equipment are exempted from the tax

1 imposed by this chapter when the sale, lease, or rental is made to a purchaser or lessor who is
2 entitled to a sales and use tax exemption under subsection 6 or 12 of section 57-39.2-04 on
3 otherwise taxable sales at retail. There are specifically exempted from the tax imposed by this
4 chapter the gross receipts from the sale or lease of used farm machinery, farm machinery
5 repair parts, ~~or~~ used irrigation equipment, or irrigation equipment repair parts used exclusively
6 for agricultural purposes. For purposes of this section, "used" means:

- 7 1. Tax under this chapter or chapter 57-39.2 or 57-40.2 has been paid on a previous
8 sale;
- 9 2. Originally purchased outside this state and previously owned by a farmer; or
- 10 3. Has been under lease or rental for three years or more.

11 **SECTION 4. EFFECTIVE DATE.** This Act is effective for taxable events occurring after
12 June 30, 2009.