

**Sixty-first Legislative Assembly of North Dakota  
In Regular Session Commencing Tuesday, January 6, 2009**

HOUSE BILL NO. 1289  
(Representatives DeKrey, Onstad)  
(Senators Taylor, Wanzek)

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

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

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

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

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

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

**SECTION 3. AMENDMENT.** Section 57-39.5-02 of the North Dakota Century Code is amended and reenacted as follows:

**57-39.5-02. Imposition - Exemptions.** There is imposed a tax of three percent upon the gross receipts of retailers from all sales at retail, including the leasing or renting, of farm machinery or irrigation equipment used exclusively for agricultural purposes. Gross receipts from sales at retail of farm machinery or irrigation equipment are exempted from the tax imposed by this chapter when the sale, lease, or rental is made to a purchaser or lessor who is entitled to a sales and use tax exemption under subsection 6 or 12 of section 57-39.2-04 on otherwise taxable sales at retail. There are specifically exempted from the tax imposed by this chapter the gross receipts from the sale or lease of used farm machinery, farm machinery repair parts, ~~or~~ used irrigation equipment, or irrigation equipment repair parts used exclusively for agricultural purposes. For purposes of this section, "used" means:

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

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

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

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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 Sixty-first Legislative Assembly of North Dakota and is known on the records of that body as House Bill No. 1289.

House Vote:      Yeas    90      Nays    4      Absent    0

Senate Vote:    Yeas    26      Nays    20      Absent    1

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

Received by the Governor at \_\_\_\_\_ M. on \_\_\_\_\_, 2009.

Approved at \_\_\_\_\_ M. on \_\_\_\_\_, 2009.

\_\_\_\_\_  
Governor

Filed in this office this \_\_\_\_\_ day of \_\_\_\_\_, 2009,

at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

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