

HOUSE BILL NO.

Introduced by

Representative Headland

1 A BILL for an Act to amend and reenact section 57-38-30.6 of the North Dakota Century Code,
2 relating to a corporate income tax credit for soybean and canola crushing equipment costs; and
3 to provide an effective date.

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

5 **SECTION 1. AMENDMENT.** Section 57-38-30.6 of the North Dakota Century Code is
6 amended and reenacted as follows:

7 **57-38-30.6. Corporate income tax credit for biodiesel production and soybean**
8 **and canola crushing equipment costs.** A taxpayer is entitled to a credit against tax liability
9 determined under section 57-38-30 in the amount of ten percent per year for five years of the
10 taxpayer's direct costs incurred after December 31, 2002, to adapt or add equipment to retrofit
11 an existing facility or adapting a new facility in this state for the purpose of producing or
12 blending diesel fuel containing at least two percent biodiesel fuel by volume or for the purpose
13 of crushing soybeans or canola. For purposes of this section, "biodiesel" means fuel meeting
14 the specifications adopted by the American society for testing and materials. The credit under
15 this section may not exceed the taxpayer's liability as determined under this chapter for the
16 taxable year and each year's credit amount may be carried forward for up to five taxable years.
17 A taxpayer is limited to two hundred fifty thousand dollars in the cumulative amount of credits
18 under this section for all taxable years. A taxpayer may not claim a credit under this section for
19 any taxable year before the taxable year in which the facility begins production or blending of
20 diesel fuel containing at least two percent biodiesel fuel by volume, but eligible costs incurred
21 before the taxable year production or blending begins may be claimed for purposes of the credit
22 under this section for taxable years on or after the taxable year production or blending begins.

23 **SECTION 2. EFFECTIVE DATE.** This Act is effective for taxable years beginning after
24 December 31, 2008.