

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

SENATE BILL NO. 2405
(Senator Anderson)
(Representatives Wall, Williams)

AN ACT to amend and reenact subdivision i of subsection 1 of section 57-38-01.3 of the North Dakota Century Code, relating to income tax treatment of the domestic reduction activities deduction for marketing cooperatives; and to provide an effective date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Subdivision i of subsection 1 of section 57-38-01.3 of the North Dakota Century Code is amended and reenacted as follows:

- i. ~~Increased~~ Except for a cooperative described in this subsection, increased by the amount of the deduction allowable under section 199 of the Internal Revenue Code [26 U.S.C. 199], but only to the extent of the deduction taken to determine federal taxable income. For a cooperative that has elected to pass the deduction through to its patrons under section 199(d)(3), of the Internal Revenue Code [26 U.S.C. 199(d)(3)], the increase under this subsection does not include the amount passed through to its patrons.

SECTION 2. EFFECTIVE DATE. This Act is effective for taxable years ending after April 30, 2009.

President of the Senate

Speaker of the House

Secretary of the Senate

Chief Clerk of the House

This certifies that the within bill originated in the Senate of the Sixty-first Legislative Assembly of North Dakota and is known on the records of that body as Senate Bill No. 2405.

Senate Vote: Yeas 47 Nays 0 Absent 0

House Vote: Yeas 93 Nays 0 Absent 1

Secretary of the Senate

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