

Introduced by

1 A BILL for an Act to create and enact a new subdivision to subsection 1 of section 57-38-01.2
2 and a new subdivision to subsection 2 of section 57-38-30.3 of the North Dakota Century Code,
3 relating to a new graduate earned income deduction; and to provide an effective date.

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

5 **SECTION 1.** A new subdivision to subsection 1 of section 57-38-01.2 of the North
6 Dakota Century Code is created and enacted as follows:

7 Reduced by the new graduate earned income deduction, determined as
8 follows:

9 (1) The deduction is equal to the amount of earned income from sources in
10 this state during the taxable year which is earned while the individual is
11 a resident of this state. For purposes of this paragraph, "earned
12 income" has the meaning provided under section 32 of the Internal
13 Revenue Code.

14 (2) The individual must have been awarded:

15 (a) An associate degree after December 31, 2004, and before
16 January 1, 2016; or

17 (b) A baccalaureate or graduate degree after December 31, 2004,
18 and before January 1, 2018.

19 (3) In the case of a degree awarded:

20 (a) Before January 1, 2009, the qualifying degree from which
21 eligibility under this subdivision is measured is the most recently
22 awarded degree; and

(b) After December 31, 2008, the qualifying degree from which eligibility under this subdivision is measured is the first degree awarded after that date.

(4) The deduction is available for a period of five consecutive taxable years, with the first year being the first year immediately following the year of the award of the qualifying degree. An individual is entitled to the deduction under this subdivision only with respect to the first qualifying degree awarded to the individual under paragraph 3.

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

Reduced by the amount of the new graduate earned income deduction under section 1 of this Act.

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