


**Individual Income Tax Credits and Claimed Amounts****CHART 1****2006 - 2009 Tax Years**

<div><div></div><div>A "►" means the credit is only allowed for individual income tax purposes.</div></div>			Number of Returns and Amount of Credits Claimed							
	Year Created	Expires after...	2006 Tax Year		2007 Tax Year		2008 Tax Year		2009 Tax Year	
			No.	Amount	No.	Amount	No.	Amount	No.	Amount
Name of Credit										
1 ► Credit for income tax paid to another state (resident only)	1957		4,892	\$ 8,822,827	5,255	\$ 10,056,145	5,448	\$ 9,819,594	4,684	\$ 6,413,414
2 Renewable energy device credit: Geothermal <sup>2</sup>	1981	2014							135	217,845
3 Research expense credit <sup>3</sup>	1987				67	436,007	125	682,225	91	512,613
4 Seed capital investment credit <sup>4</sup>	1993		699	1,657,308	661	3,454,763	395	3,134,389	292	2,882,906
5 ► Family member care credit	1997		12	8,612	8	6,797	5	3,314	Not reportable <sup>1</sup>	
6 ► Renaissance zone: Single-family residence credit	1999									
7 Renaissance zone: Historic property preservation and renovation credit	1999									
8 ► Renaissance zone: Business purchase or expansion credit	1999									
9 Renaissance zone: Renaissance fund organization investment credit	1999									
Total renaissance zone credits			125	639,199	153	861,202	152	1,132,211	152	1,093,348
10 Agricultural commodity processing facility investment credit	2001		446	609,547	440	870,193	325	770,011	252	486,852
11 ► Planned gift credit	2005		20	35,592	54	142,977	66	239,182	26	86,885
12 Biodiesel fuel blending credit (for supplier/wholesaler)	2005		6	3,943	Not reportable <sup>1</sup>		Not reportable <sup>1</sup>		Not reportable <sup>1</sup>	
13 Biodiesel fuel equipment credit (for seller/retailer)	2005		6	62,929	Not reportable <sup>1</sup>		0	0	0	0
14 Internship program credit	2007				16	3,499	32	12,692	31	9,636
15 Microbusiness credit (for increasing employment or property purchases)	2007				Not reportable <sup>1</sup>		Not reportable <sup>1</sup>		Not reportable <sup>1</sup>	
16 Angel fund investment credit	2007				31	224,152	53	588,716	67	905,088
17 Endowment fund credit from passthrough entity	2007				47	110,291	39	57,493	62	73,895
18 Workforce recruitment credit	2007				0	0	Not reportable <sup>1</sup>		Not reportable <sup>1</sup>	
19 ► Marriage penalty credit	2007				19,846	2,447,098	21,426	2,681,685	21,174	2,365,329
20 ► Residential and agricultural property tax relief credit	2007	2008			145,394	37,569,818	141,559	37,929,038		
Unused residential property tax relief credit carryover							4,574	720,740	3,829	696,318
21 Commercial property tax relief credit	2007	2008			12,392	3,191,214	12,535	3,134,903		
Unused commercial property tax relief credit carryover							2,157	493,240	2,878	952,945
22 Retroactive commercial property tax relief credit	2009								1,399	616,237

A "▶" means the credit is only allowed for individual income tax purposes.



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<div> A "▶" means the credit is only allowed for individual income tax purposes.</div>		Year CreatedExpires after...		Number of Returns and Amount of Credits Claimed							
				2006 Tax Year		2007 Tax Year		2008 Tax Year		2009 Tax Year	
				No.	Amount	No.	Amount	No.	Amount	No.	Amount
Name of Credit				No.	Amount	No.	Amount	No.	Amount	No.	Amount
23	▶ Partnership plan long-term care insurance policy premium credit	2009								405	169,821
24	Credit for wages paid to employee mobilized for federal active duty	2009								Not reportable <sup>1</sup>	
25	Renaissance zone: Nonparticipating property owner credit	2009		Included in "Total renaissance zone credits" above.							
26	▶ Endowment fund contribution credit: Individual income tax filer only	2011		Takes effect in 2011 tax year.							
27	Manufacturing automation equipment credit	2011	2015	Takes effect in 2013 tax year; expires after 2015 tax year.							
28	Housing incentive fund contribution credit	2011	2012	Takes effect in 2011 tax year; expires after 2012 tax year.							
Total reportable credits <sup>5</sup>				\$ 11,839,957		\$ 59,374,156		\$ 61,399,433		\$ 17,483,132	

**Notes:**

<sup>1</sup> "Not reportable" means there were less than five returns on which the credit was claimed, and therefore is not disclosed to protect confidentiality.

<sup>2</sup> The geothermal energy device credit was created in 1981. However, from 1981 to 2009, the credit was only allowed to an individual who used Form ND-2 (Form 37 prior to 2001). Less than 2% of all individual filers used Form ND-2 because of its high tax rates. Over 98% of filers used Form ND-1 (Form 37-S prior to 2001) with its lower tax rates. For this reason, very few, if any, individuals claimed this credit for 1981 through 2008. In 2009, the legislature enacted legislation allowing the geothermal energy device credit on Form ND-1.

<sup>3</sup> The research expense credit was created in 1987. However, it was only allowed to a "C" corporation (on Form 40) until 2007. In 2007, the legislature enacted legislation allowing the credit to be claimed by all entity types, including individuals. For 2007 and 2008, individuals could claim this credit on either Form ND-1 or Form ND-2.

<sup>4</sup> The seed capital investment credit was created in 1993. However, from 1993 to 2001, the credit was only allowed to an individual who used Form ND-2 (Form 37 prior to 2001). Less than 2% of all individual filers used Form ND-2 because of its high tax rates. Over 98% of filers used Form ND-1 (Form 37-S prior to 2001) with its lower tax rates. In addition, until 2005, only individuals could claim this credit. For these reasons, the seed capital investment credit program was not utilized at all from 1993 to 2001. In 2001, the legislature enacted legislation allowing the credit on Form ND-1 starting with the 2002 tax year.

<sup>5</sup> The total number of individual income tax returns filed for each of the years reported in this table are as follows: 2006--341,947; 2007--353,331; 2008--358,519; 2009--356,278.



**Corporation Income Tax Credits and Claimed Amounts****CHART 2****2006 - 2009 Tax Years**

Name of Credit	Year Created	Expires After...	Number of Returns and Amount of Credits Claimed							
			2006 Tax Year		2007 Tax Year		2008 Tax Year		2009 Tax Year	
			No.	Amount	No.	Amount	No.	Amount	No.	Amount
<b>1</b> ▶ Wage and salary credit	1969		Not reportable <sup>1</sup>		Not reportable <sup>1</sup>		Not reportable <sup>1</sup>		Not reportable <sup>1</sup>	
<b>2</b> ▶ Nonprofit private college contribution credit	1975		27	\$ 40,190	21	\$ 38,160	20	\$ 32,363	16	\$ 28,908
<b>3</b> ▶ Renewable energy device credit: Solar	1977	2014	Not reportable <sup>1</sup>		Not reportable <sup>1</sup>		Not reportable <sup>1</sup>		0	0
<b>4</b> ▶ Renewable energy device credit: Wind	1977	2014	Not reportable <sup>1</sup>		Not reportable <sup>1</sup>		Not reportable <sup>1</sup>		0	0
<b>5</b> ▶ Nonprofit private high school contribution credit	1979		11	16,960	11	13,439	12	12,196	10	9,851
<b>6</b> Renewable energy device credit: Geothermal	1981	2014	Not reportable <sup>1</sup>		Not reportable <sup>1</sup>		Not reportable <sup>1</sup>		Not reportable <sup>1</sup>	
<b>7</b> ▶ Developmentally disabled or chronically mentally ill employment credit	1987		0	0	0	0	0	0	0	0
<b>8</b> Research expense credit	1987		14	516,834	15	1,944,382	13	1,694,636	14	2,580,374
<b>9</b> Seed capital investment credit <sup>2</sup>	1993		Not reportable <sup>1</sup>		Not reportable <sup>1</sup>		0	0	Not reportable <sup>1</sup>	
<b>10</b> ▶ Certified nonprofit development corporation credit	1989		0	0	0	0	0	0	0	0
<b>11</b> Renaissance zone: Historic property preservation and renovation credit	1999									
<b>12</b> Renaissance zone: Renaissance fund organization investment credit	1999									
Total renaissance zone credits			Not reportable <sup>1</sup>		0	0	0	0	Not reportable <sup>1</sup>	
<b>13</b> Agricultural commodity processing facility investment credit <sup>3</sup>	2001		Not reportable <sup>1</sup>		5	107,825	8	111,694	7	96,331
<b>14</b> ▶ Facility construction or retrofit credit: Biodiesel fuel production	2003		0	0	Not reportable <sup>1</sup>		Not reportable <sup>1</sup>		0	0
<b>15</b> Biodiesel fuel blending credit (for supplier/wholesaler)	2005		0	0	Not reportable <sup>1</sup>		Not reportable <sup>1</sup>		Not reportable <sup>1</sup>	
<b>16</b> Biodiesel fuel equipment credit (for seller/retailer)	2005		0	0	Not reportable <sup>1</sup>		Not reportable <sup>1</sup>		0	0
<b>17</b> ▶ Renewable energy device credit: Biomass	2007	2014	Not reportable <sup>1</sup>		Not reportable <sup>1</sup>		Not reportable <sup>1</sup>		Not reportable <sup>1</sup>	
<b>18</b> Internship program credit	2007				Not reportable <sup>1</sup>		Not reportable <sup>1</sup>		Not reportable <sup>1</sup>	
<b>19</b> Microbusiness credit (for increasing employment or property purchases)	2007				0	0	0	0	0	0
<b>20</b> Angel fund investment credit	2007				Not reportable <sup>1</sup>		Not reportable <sup>1</sup>		Not reportable <sup>1</sup>	
<b>21</b> ▶ Endowment fund contribution credit	2007				8	23,920	7	22,968	7	18,681
<b>22</b> Workforce recruitment credit	2007				0	0	0	0	0	0
<b>23</b> Commercial property tax relief credit	2007	2008			473	256,499	440	249,622		
Unused commercial property tax relief credit carryover							NA <sup>4</sup>	19,614	NA <sup>4</sup>	29,379

A "▶" means the credit is only allowed for corporation income tax purposes.



**Corporation Income Tax Credits and Claimed Amounts****CHART 2****2006 - 2009 Tax Years**

Name of Credit	Year Created	Expires After...	Number of Returns and Amount of Credits Claimed							
			2006 Tax Year		2007 Tax Year		2008 Tax Year		2009 Tax Year	
			No.	Amount	No.	Amount	No.	Amount	No.	Amount
<b>24</b> ▶ Facility construction or retrofit credit: Soybean and canola crushing	2009								0	0
<b>25</b> Credit for wages paid to employee mobilized for federal active duty	2009								0	0
<b>26</b> Renaissance zone: Nonparticipating property owner credit	2009		Included in "Total renaissance zone credits" above							
<b>27</b> Manufacturing automation equipment credit	2011	2015	Takes effect in 2013 tax year; expires after 2015 tax year.							
<b>28</b> Housing incentive fund contribution credit	2011	2012	Takes effect in 2011 tax year; expires after 2012 tax year.							
<b>Total reportable credits</b> <sup>5</sup>			<b>\$ 573,984</b>		<b>\$ 2,384,225</b>		<b>\$ 2,143,093</b>		<b>\$ 2,763,524</b>	

**Notes:**

<sup>1</sup> "Not reportable" means there were less than five returns on which the credit was claimed, and therefore is not disclosed to protect confidentiality.

<sup>2</sup> The seed capital investment credit was created in 1993. However, from 1993 to 2005, the credit was only allowed to individuals. In 2005, the legislature enacted legislation allowing the credit to all entity types, including "C" corporations.

<sup>3</sup> The agricultural commodity processing facility investment credit was created in 2001. However, from 2001 to 2005, the credit was only allowed to individuals. In 2005, the legislature enacted legislation allowing the credit to all entity types, including "C" corporations.

<sup>4</sup> The number of returns is not available for this credit carryover amount.


<sup>5</sup> The total number of "C" corporation income tax returns filed for each of the years reported in this table are as follows: 2006--9,784; 2007--9,634; 2008--9,565; 2009--9,332.



# Financial Institution Tax Credits and Claimed Amounts

## CHART 3

### 2006 - 2009 Tax Years

<div> A "►" means the credit is only allowed for financial institution tax purposes.</div>		Year CreatedExpires after...		Number of Returns and Amount of Credits Claimed							
				2006 Tax Year		2007 Tax Year		2008 Tax Year		2009 Tax Year	
				No.	Amount	No.	Amount	No.	Amount	No.	Amount
Name of Credit											
1	Nonprofit private high school contribution credit <sup>2</sup>	1983		6	\$ 17,225	7	\$ 16,815	5	\$ 14,514	9	\$ 14,726
2	Nonprofit private college contribution credit <sup>2</sup>	1983		16	25,237	10	24,542	9	18,868	8	20,132
3	Renaissance zone: Renaissance fund organization investment credit <sup>3</sup>	1999									
4	Renaissance zone: Historic property preservation/renovation credit <sup>3</sup>	1999									
Total renaissance zone credits				Not reportable <sup>1</sup>		7	7,290	7	1,442,787	12	357,149
5	► Rural leadership ND scholarship tuition contribution credit <sup>2</sup>	2005		Not reportable <sup>1</sup>		Not reportable <sup>1</sup>		Not reportable <sup>1</sup>		Not reportable <sup>1</sup>	
6	Renaissance zone: Nonparticipating property owner credit <sup>3</sup>	2009		Included in "Total renaissance zone credits" above							
7	Endowment fund contribution credit <sup>2</sup>	2011		Takes effect in 2011 tax year.							
8	Housing incentive fund contribution credit <sup>2</sup>	2011	2012	Takes effect in 2011 tax year; expires after 2012 tax year.							
Total reportable credits <sup>4</sup>				\$ 42,462		\$ 48,647		\$ 1,476,169		\$ 392,007	

#### Notes:

<sup>1</sup> "Not reportable" means there were less than five returns on which the credit was claimed, and therefore is not disclosed to protect confidentiality.

<sup>2</sup> The total financial institution tax is distributed as follows: 3/13ths is deposited into the state general fund. 10/13ths is deposited into the financial institution tax distribution fund, which is distributed to the counties based on a statutory formula. This credit only reduces the state general fund portion of the financial institution tax credit.

<sup>3</sup> This credit reduces the total financial institution tax (before deposit into the state general fund and financial institution tax distribution fund).

<sup>4</sup> The total number of financial institution tax returns filed for each of the years reported in this table are as follows: 2006--351; 2007--335; 2008--325; 2009--354.



# Summary of Income and Financial Institution Tax Credit Provisions

## CHART 4

This document provides a brief description of the tax credits currently allowed by law for income tax purposes (under N.D.C.C. ch. 57-38) and financial institution tax purposes (under N.D.C.C. ch. 57-35.3).

For more complete details, see the governing statute cited in the table.

Name of Credit	How To Qualify	Eligible Taxpayer	Rate / Maximum Credit Per Year	Unused Credit Option(s)	Program Ceiling(s)
<b>Agricultural commodity processing facility investment credit</b> <b>N.D.C.C. ch. 57-38.6</b>	<p>Taxpayer must make a cash investment in, or transfer a fee simple interest in ND real property to, a business certified by the ND Commerce Dept. as a qualified business.</p> <p>In general, a "qualified business" is one that is organized in ND for the purpose of adding value to an agricultural commodity raised in ND or operating a livestock feeding, handling, milking, or holding business that utilizes a byproduct of a ND biofuels production facility.</p>	All income tax filers	<p><b>Rate:</b> 30% of the investment.</p> <p><b>Maximum credit per year:</b> There is no maximum credit; however, no more than \$50,000 of the calculated credit may be used in any tax year.</p>	<b>Carryover:</b> 10 years.	<b>Per taxpayer:</b> \$250,000 in credits for all tax years.
<b>Angel fund investment credit</b> <b>N.D.C.C. § 57-38-01.26</b>	<p>Taxpayer must make a cash investment in an entity certified by the ND Commerce Dept. as a ND angel fund.</p> <p>In general, an "angel fund" is an entity created under ND law that has 6 accredited investors (none owning over 25% of the fund's assets, is managed by its investors, has \$500,000 in commitments from its accredited investors, and intends on investing in at least 3 early- or mid-stage private, nonpublicly traded enterprises.</p>	All income tax filers	<p><b>Rate:</b> 45% of the investment.</p> <p><b>Maximum credit per year:</b> \$45,000.</p>	<p><b>Carryover:</b> 4 years.</p> <p><b>Transfer option:</b> For the 2011 and 2012 tax years only, a taxpayer may transfer up to \$100,000 of credits to another taxpayer.</p>	<p><b>Per taxpayer:</b> \$150,000 in credits for all tax years.</p> <p><b>Per angel fund:</b> \$5 million in credits for all tax years.</p>
<b>Biodiesel fuel blending credit</b> <b>N.D.C.C. § 57-38-01.22</b>	Taxpayer must be a ND licensed special fuels supplier (wholesaler) and must blend biodiesel fuel having a minimum 5% blend.	All income tax filers	<p><b>Rate:</b> 5 cents per gallon of blended biodiesel fuel.</p> <p><b>Maximum credit per year:</b> None.</p>	<b>Carryover:</b> 10 years.	None
<b>Biodiesel fuel equipment credit</b> <b>N.D.C.C. § 57-38-01.23</b>	Taxpayer must be a ND licensed special fuels retailer (seller) and must add or adapt equipment to the taxpayer's retail facility to enable the taxpayer to sell a 2% or more blend of biodiesel fuel.	All income tax filers	<p><b>Rate:</b> 10% of the costs of the equipment additions or adaptations, which is allowed in each of 5 tax years starting with the tax year in which sales of the eligible fuel begin. Eligible costs incurred before the tax year in which sales of the eligible biodiesel fuel begin may be included.</p> <p><b>Maximum credit per year:</b> None.</p>	<b>Carryover:</b> 5 years.	<b>Per taxpayer:</b> \$50,000 in credits for all tax years.



<b>Certified nonprofit development corporation credit</b> <b>N.D.C.C. § 57-38-01.17</b>	Taxpayer must buy membership in, pay dues to, or contribute to a certified nonprofit development corporation. “Certified nonprofit development corporation” means a corporation that (1) is certified by the secretary of state, (2) invests the majority of its funds in primary sector businesses, and (3) does not distribute any part of its income to its members, directors, or officers.	Corporation income tax filer only	<b>Rate:</b> 25% of the amount paid. <b>Maximum credit per year:</b> \$2,000.	<b>Carryover:</b> 7 years.	None
<b>Credit for income tax paid to another state</b> <b>N.D.C.C. § 57-38-30.3(4)</b>	Taxpayer must pay income tax to ND and another state on the same income.	Resident individual income tax filer only	<b>Credit amount:</b> Income tax paid to the other state. <b>Maximum credit per year:</b> Lesser of: <ul style="list-style-type: none"> <li>• actual tax paid to the other state, or</li> <li>• amount of ND tax attributable to the income taxed by the other state.</li> </ul>	None	None
<b>Credit for wages paid to employee mobilized for federal active duty</b> <b>N.D.C.C. § 57-38-01.31</b>	Taxpayer must continue to pay part or all of the compensation of a ND resident employee in the National Guard or a reserve component of the U.S. armed forces while the employee is mobilized for federal active duty under Title 10 of the U.S. Code, provided the employee incurs a drop in income due to the mobilization.	All income tax filers	<b>Credit amount:</b> 25% of the lesser of: <ul style="list-style-type: none"> <li>• amount of compensation the employer pays during the mobilization period or</li> <li>• excess of compensation the employer would have paid had there been no mobilization over the military compensation paid.</li> </ul> <b>Maximum credit per year:</b> \$1,000 per eligible employee.	<b>Carryover:</b> 5 years.	None
<b>Developmentally disabled or chronically mentally ill employment credit</b> <b>N.D.C.C. § 57-38-01.16</b>	Taxpayer must hire an individual who is developmentally disabled or chronically mentally ill. An employee of a subcontractor is considered an employee of the contractor to the extent of any wages paid under the contract.	Corporation income tax filer only	<b>Rate:</b> 5% of up to \$6,000 in wages paid during the first 12 months of employment. <b>Maximum credit per year:</b> 50% of the tax before credits.	None	None
<b>Endowment fund contribution credit:</b> <b>Individual income tax filer only</b> <b>N.D.C.C. § 57-38-01.21</b>	Taxpayer must make a minimum charitable contribution of \$5,000 to a qualified ND endowment fund. <i>(Amounts less than \$5,000 may contributed to a fund during the year so long as the aggregate amount of the smaller contributions made to the same fund is at least \$5,000.)</i>	Individual income tax filer only	<b>Rate:</b> 40% of the charitable contribution. <b>Maximum credit per year:</b> \$10,000 (\$20,000, if married filing jointly). <b>Adjustment to income:</b> ND taxable income must be increased by the amount of the contribution to the extent it reduced federal taxable income.	<b>Carryover:</b> 3 years.	None



<b>Endowment fund contribution credit:</b> <b>Other income and financial institution tax filers</b> <b>N.D.C.C. § 57-38-01.21</b> <b>N.D.C.C. § 57-35.3-05</b>	<p>A taxpayer must make a charitable contribution to a qualified ND endowment fund.</p> <p><i>Note: Unlike the endowment fund contribution credit allowed only to an individual income tax filer (see preceding row in chart), there is no requirement to make a minimum contribution to qualify for this credit.</i></p>	<p>All income and financial institution tax filers <i>except individual income tax filers</i></p>	<p><b>Rate:</b> 40% of the charitable contribution.</p> <p><b>Maximum credit per year:</b> \$10,000.</p> <p><b>Adjustment to income:</b> ND taxable income must be increased by the amount of the contribution to the extent it reduced federal taxable income.</p> <p><i>Note: The credit only offsets the general fund portion of the financial institution tax.</i></p>	<p><b>Carryover:</b> 3 years.</p>	<p>None</p>
<b>Facility construction or retrofit credit</b> <b>Biodiesel fuel production</b> <b>Soybean/canola crushing</b> <b>N.D.C.C. § 57-38-30.6</b>	<p>Taxpayer must either construct a new facility or add or adapt equipment to retrofit an existing facility to:</p> <ul style="list-style-type: none"> <li>produce or blend diesel fuel containing at least 2% biodiesel fuel by volume, or</li> <li>produce crushed soybeans or canola.</li> </ul>	<p>Corporation income tax filer only</p>	<p><b>Rate:</b> 10% of the direct costs, which is allowed in each of 5 tax years starting with the year in which production or blending begins.</p> <p><b>Maximum credit per year:</b> None.</p>	<p><b>Carryover:</b> 5 years.</p>	<p><b>Per taxpayer:</b> \$250,000 in credits for all tax years.</p>
<b>Family member care credit</b> <b>N.D.C.C. § 57-38-01.20</b>	<p>Taxpayer must pay qualified care expenses for a qualified family member.</p> <p>"Qualified care expenses" means expenses for home health agency services, companionship services, personal care attendant services, homemaker services, adult day care, respite care, and other expenses that are deductible medical expenses under federal income tax law.</p> <p>"Qualified family member" means an individual who (1) is related to the taxpayer, (2) is at least 65 years old or disabled, and (3) has federal taxable income below a statutory threshold.</p>	<p>Individual income tax filer only</p>	<p><b>Rate:</b> 20% up to 30% of qualified care expenses, depending on the taxpayer's federal taxable income level. <i>(For separate filers, the percentage is one-half of the percentage for joint filers.)</i></p> <p><b>Maximum credit per year:</b> \$2,000 (or \$1,000, if MFS) per qualified family member for up to two qualified family members.</p> <p><b>Credit reduction:</b> Credit is reduced by the excess of the taxpayer's federal taxable income over a statutory threshold.</p>	<p>None</p>	<p>None</p>
<b>Housing incentive fund contribution credit</b> <b>N.D.C.C. § 57-38-01.32</b>	<p>Taxpayer must make a cash contribution to the housing incentive fund administered by the ND Housing Finance Agency.</p>	<p>All income tax and financial institution tax filers</p>	<p><b>Rate:</b> Amount contributed to the fund.</p> <p><b>Maximum credit per year:</b> There is no maximum credit; however, no more than 20% of the calculated credit may be used in any tax year.</p> <p><b>Adjustment to income:</b> ND taxable income must be increased by the amount of the contribution to the extent it reduced federal taxable income.</p> <p><i>Note: The credit only offsets the general fund portion of the financial institution tax.</i></p>	<p><b>Carryover:</b> 10 years.</p>	<p><b>Program ceiling:</b> \$4 million in credits for all contributions made in the 2011-13 biennium.</p>



<b>Internship program credit</b> <b>N.D.C.C. § 57-38-01.24</b>	<p>Taxpayer must hire an eligible college student under a qualifying internship program set up by the taxpayer in ND. The credit is allowed for up to 5 interns employed at one time.</p> <p>"Eligible college student" means one enrolled in an institution of higher education or vocational technical education program in a field of study related to the work to be performed. The taxpayer must supervise and evaluate the intern's performance, and the internship must qualify for academic credit.</p>	All income tax filers	<p><b>Rate:</b> 10% of the compensation paid during the tax year.</p> <p><b>Maximum credit per year:</b> None.</p>	None	<b>Per taxpayer:</b> \$3,000 in credits for all tax years.
<b>Manufacturing automation equipment credit</b> <b>N.D.C.C. § 57-38-01.33</b>	<p>Taxpayer must be certified as a primary sector business by the ND Commerce Dept. and must purchase new or used machinery and equipment for the purpose of automating a manufacturing process.</p>	All income tax filers	<p><b>Rate:</b> 20% of the cost of the machinery and equipment approved by the Commerce Dept..</p> <p><b>Maximum credit per year:</b> None.</p>	<b>Carryover:</b> 5 years.	<b>Program ceiling:</b> \$2 million in credits for all purchases by all taxpayers per calendar year.
<b>Marriage penalty credit</b> <b>N.D.C.C. § 57-38-01.28</b>	<p>Taxpayer must be married and file a joint income tax return with spouse and meet the following statutory requirements:</p> <ul style="list-style-type: none"> <li>Both spouses must have qualified income.</li> <li>Their joint tax liability must exceed the sum of the separate tax liabilities that would have been computed had they filed as single individuals, computed in the manner prescribed by statute.</li> </ul> <p>"Qualified income" generally means wages, self-employment income, and the taxable retirement benefits.</p>	Individual income tax filer only	<p><b>Credit amount:</b> Excess of joint tax liability over sum of each spouse's tax computed at the single filer tax rates.</p> <p><b>Maximum credit per year:</b> Statutory amount, based on bottom two tax brackets for single filers, that is adjusted annually for inflation. <i>(For 2010, this amount was \$280.)</i></p> <p><b>Limit for nonresident filers:</b> Allowable credit is limited based on the amount of ND adjusted gross income.</p>	None	None
<b>Microbusiness credit</b> <b>N.D.C.C. § 57-38-01.27</b>	<p>Taxpayer must be certified as a microbusiness by the ND Commerce Dept. and must have new investment, new employment, or both.</p> <p>In general, a "microbusiness" is a business with up to 5 employees that is located in a community with a population under 2,000 that is actively involved in economic development.</p> <p>In general, "new investment" means an increase in the purchases and leasing of business property over the previous year, and "new employment" means an increase in the compensation paid to ND resident employees over the previous year due to hiring (not wage increases).</p>	All income tax filers	<p><b>Rate:</b> 20% of the total amount of new investment and new employment paid during the tax year.</p> <p><b>Maximum credit per year:</b> None.</p>	<b>Carryover:</b> 5 years.	<b>Per taxpayer:</b> \$10,000 in credits for all tax years.



<b>Nonprofit private college contribution credit</b> <b>N.D.C.C. § 57-38-01.7</b> <b>N.D.C.C. § 57-35.3-05</b>	<p>Taxpayer must make a charitable contribution directly to a qualifying nonprofit private college located in ND (<i>including the ND Independent College Fund</i>).</p> <p>"Nonprofit private college" means an institution with a regular faculty, curriculum, and organized body of students that offers education above the 12th grade.</p>	Corporation income tax and financial institution tax filers	<p><b>Rate:</b> 50% of the contribution.</p> <p><b>Maximum credit per year—corporation only:</b> Lesser of (1) 20% of the tax before credits or (2) \$2,500.</p> <p><b>Maximum credit per year—financial institution only:</b> Lesser of (1) 4.60% of the tax before credits or (2) \$2,500.</p> <p><i>Note: The credit only offsets the general fund portion of the financial institution tax.</i></p>	None	None
<b>Nonprofit private high school contribution credit</b> <b>N.D.C.C. § 57-38-01.7</b> <b>N.D.C.C. § 57-35.3-05</b>	<p>Taxpayer must make a charitable contribution directly to a qualifying nonprofit private high school located in ND.</p> <p>"Nonprofit private high school" means an institution with a regular faculty, a curriculum approved by the ND Dept. of Public Instruction, and organized body of students that offers education in the 9th through 12th grades.</p>	Corporation income tax and financial institution tax filers	<p><b>Rate:</b> 50% of the contribution.</p> <p><b>Maximum credit per year—corporation only:</b> Lesser of (1) 20% of the tax before credits or (2) \$2,500.</p> <p><b>Maximum credit per year—financial institution only:</b> Lesser of (1) 4.60% of the tax before credits or (2) \$2,500.</p> <p><i>Note: The credit only offsets the general fund portion of the financial institution tax.</i></p>	None	None
<b>Partnership plan long-term care insurance policy premium credit</b> <b>N.D.C.C. § 57-38-29.3</b>	<p>Taxpayer must pay premiums on a "partnership plan" long-term care insurance policy that covers the taxpayer or the taxpayer's spouse, or both.</p> <p>A "partnership plan" policy is a special type of long-term care insurance policy meeting specific consumer protections, is recognized for ND Medicaid benefit purposes, and provides inflation protection.</p>	Resident individual income tax filer only	<p><b>Credit amount:</b> Amount of premiums paid during the tax year.</p> <p><b>Maximum credit per year:</b> \$250 (or \$500, if both spouses are insured).</p>	None	None
<b>Planned gift credit</b> <b>N.D.C.C. § 57-38-01.21</b>	<p>Taxpayer must make a charitable contribution in the form of a planned gift to a qualified ND nonprofit organization or a qualified ND endowment fund.</p> <p>"Planned gift" means a gifting method using a charitable remainder unitrust, charitable remainder annuity trust, pooled income fund, charitable gift annuity, charitable lead unitrust, etc., as specified in the statute.</p>	Individual income tax filer only	<p><b>Rate:</b> 40% of the charitable contribution.</p> <p><b>Maximum credit per year:</b> \$10,000 (\$20,000, if married filing jointly).</p> <p><b>Adjustment to income:</b> ND taxable income must be increased by the amount of the contribution to the extent it reduced federal taxable income.</p>	<b>Carryover:</b> 3 years.	None



<b>Renaissance zone:</b> <b>Business purchase or expansion credit</b> <b>N.D.C.C. § 40-63-04</b>	Taxpayer must invest at least \$75,000 to purchase or expand a business, or make leasehold improvements to real property leased for use in a business, located in a ND renaissance zone in a city of no more than 2,500 and approved as a zone project by the city and ND Commerce Dept.. <b>Election:</b> Taxpayer must elect to take this credit in lieu of the business income exemption otherwise allowed for this type of zone project.	Individual income tax filer only	<b>Credit amount:</b> \$2,000 per year for 5 years. <b>Maximum credit per year:</b> Same as amount of credit.	None	None
<b>Renaissance zone:</b> <b>Historic property preservation and renovation credit</b> <b>N.D.C.C. § 40-63-06</b>	Taxpayer must incur costs to preserve or renovate historical property located in a ND renaissance zone that is approved as a zone project by the city and ND Commerce Dept.. "Historical property" means property that the ND Historic Society certifies to be listed on the historical property registers, such as the National Historic Register of Historic Places.	All income and financial institution tax filers	<b>Rate:</b> 25% of the investment. <b>Maximum credit per year:</b> None. <i>Note: The credit offsets the total financial institution tax before distributions are made to the state general fund and the financial institution tax distribution fund.</i>	<b>Carryover:</b> 5 years.	<b>Per project:</b> \$250,000.
<b>Renaissance zone:</b> <b>Nonparticipating property owner credit</b> <b>N.D.C.C. § 40-63-04</b>	Taxpayer must pay costs incurred to make changes to utility services or to the building structure to accommodate utility service changes connecting to real property owned by the taxpayer, which are directly attributable to another taxpayer's zone project.	All income and financial institution tax filers	<b>Credit amount:</b> Costs incurred to make the required changes, as approved by the city. <b>Maximum credit per year:</b> None. <i>Note: The credit offsets the total financial institution tax before distributions are made to the state general fund and the financial institution tax distribution fund.</i>	<b>Carryover:</b> 5 years.	None
<b>Renaissance zone:</b> <b>Renaissance fund organization investment credit</b> <b>N.D.C.C. § 40-63-07</b>	Taxpayer must make a cash investment in a renaissance fund organization established by a city with a ND renaissance zone.	All income and financial institution tax filers	<b>Rate:</b> 50% of the investment. <b>Maximum credit per year:</b> None. <i>Note: The credit offsets the total financial institution tax before distributions are made to the state general fund and the financial institution tax distribution fund.</i>	<b>Carryover:</b> 5 years.	<b>Program ceiling:</b> \$8.5 million for all investments made in all RFOs for all years.
<b>Renaissance zone:</b> <b>Single-family residence credit</b> <b>N.D.C.C. § 40-63-04</b>	Taxpayer must purchase or rehabilitate a single-family residence located in a ND renaissance zone that is owned and used as the primary place of residence and is approved as a zone project by the city and ND Commerce Dept.. A rehabilitation must have a cost equal to or more than 20% of the residence's true and full value for property tax purposes and meet any other conditions set by the city.	Individual income tax filer only	<b>Credit amount:</b> \$10,000 per year for 5 years. <b>Maximum credit per year:</b> Same as amount of credit.	None	None



<b>Renewable energy device credit:</b> <b>Biomass</b> <b>Geothermal</b> <b>Solar</b> <b>Wind</b> <b>N.D.C.C. § 57-38-01.8</b>	<p>Taxpayer must install a biomass, geothermal, solar, or wind energy device on property located in ND that is owned or leased by the taxpayer.</p> <p>"Biomass energy device" means a device or system that uses agricultural crops and waste, animal waste, and other statutorily defined items to produce fuel or electricity.</p> <p>"Geothermal energy device" means a device or system that provides heating or cooling or produces electrical or mechanical power through use of the energy beneath the earth's surface in rock structures, water, or steam.</p> <p>"Solar or wind energy device" means a device or system that provides heating or cooling or produces electrical or mechanical power through use of the energy of the sun or wind.</p>	<p>All income tax filers <i>except that individual income tax filers are only eligible for this credit for installing a geothermal device</i></p>	<p><b>Rate:</b> 3% of the cost of acquisition and installation, which is allowed in each of 5 tax years starting with the year of installation.</p> <p><b>Maximum credit per year:</b> None.</p>	<p><b>Carryover:</b> 10 years.</p>	<p>None</p>
<b>Research expense credit</b> <b>N.D.C.C. § 57-38-30.5</b>	<p>Taxpayer must conduct qualified research activity in ND. The credit is a percentage of the excess of qualified research expenses over the base amount to the extent attributable to the research activity in ND. "Qualified research expenses" and "base amount" have the same meaning as defined under federal income tax law for purposes of the federal research income tax credit.</p>	<p>All income tax filers</p>	<p><b>Rate:</b> 25% of first \$100,000 of excess expenses. For excess expenses over \$100,000—</p> <ul style="list-style-type: none"> <li>For tax years 2007 through 2016, if research in ND first began in 2007 thru 2010, 20%; if research first began in ND before 2007, 7.5% in 2007, 11% in 2008, 14.5% in 2009, and 18% in 2010 thru 2016; or if research first began in ND after 2010, 8%.</li> <li>For tax years after 2016, regardless of when the research in ND first began, 8%.</li> </ul> <p><b>Maximum credit per year:</b> For taxpayers who began research before the 2007 tax year, \$2 million per year.</p>	<p><b>Carryback:</b> 3 years.</p> <p><b>Carryover:</b> 15 years.</p> <p><b>Transfer option:</b> A taxpayer certified by the ND Commerce Dept. as being a primary sector business with annual gross revenue of less than \$750,000 that first conducted research in ND after 2006 may transfer up to \$100,000 of credits to another taxpayer.</p>	<p>None</p>
<b>Rural leadership ND scholarship tuition contribution credit</b> <b>N.D.C.C. § 57-35.3-05</b>	<p>Taxpayer must make a contribution to fund a tuition scholarship for an individual to participate in the Rural Leadership ND Program conducted through the ND State University Extension Service. A contribution may be earmarked for use by a designated recipient.</p>	<p>Financial institution tax filer only</p>	<p><b>Rate:</b> 50% of the contribution.</p> <p><b>Maximum credit per year:</b> Lesser of (1) 4.60% of the tax before credits or (2) \$2,500.</p> <p><i>Note: The credit only offsets the general fund portion of the financial institution tax.</i></p>	<p>None</p>	<p>None</p>



<b>Seed capital investment credit</b> <b>N.D.C.C. ch. 57-38.5</b>	<p>Taxpayer must make a cash investment in a business certified by the ND Commerce Dept. as a qualified business.</p> <p>In general, a "qualified business" is a primary sector business that hires ND residents for most of its positions in ND, and either has its principal office and conducts most of its business (except sales activity) in ND or has an operation in ND with more than 10 employees or \$150,000 of annual sales.</p>	All income tax filers	<p><b>Rate:</b> 45% of investment.</p> <p><b>Maximum credit per year:</b> There is no maximum credit; however, no more than \$112,500 of the calculated credit may be used in any tax year.</p>	<b>Carryover:</b> 4 years.	<p><b>Per qualified business:</b> Only the first \$500,000 of investments is eligible for the credit.</p> <p><b>Program ceiling:</b> \$3.5 million of credits for all investments made in all qualified businesses per calendar year.</p>
<b>Wage and salary credit</b> <b>N.D.C.C. § 57-38-30.1</b>	<p>Taxpayer must be a corporation doing business in ND for the first time that was not created from a reorganization or acquisition of an existing ND business and is engaged in assembling, fabricating, manufacturing, mixing or processing of an agricultural, mineral or manufactured product. The corporation is not eligible if it is granted a property or income tax exemption under N.D.C.C. ch. 40-57.1.</p>	Corporation income tax filer	<p><b>Rate:</b> 1% of wages and salaries paid during the 1st, 2nd, and 3rd tax years of operation in ND, and 1/2% of wages and salaries paid during the 4th and 5th tax years of operation in ND.</p> <p><b>Maximum credit per year:</b> None.</p>	None	None
<b>Workforce recruitment credit</b> <b>N.D.C.C. § 57-38-01.25</b>	<p>Taxpayer must use extraordinary recruitment methods to recruit and hire employees for hard-to-fill positions in ND for which the annual salary is equal to or more than 125% of the state average wage.</p> <p>"Extraordinary recruitment methods" means engaging in all of the following: Contracting with a professional recruiter; advertising in a professional trade journal or other publication directed at a particular profession; providing employment information on a web site for a fee; and offering to pay a signing bonus, moving expenses, or non-typical fringe benefit.</p> <p>"Hard-to-fill position" means a position that the taxpayer's recruitment efforts have failed to fill for at least 6 consecutive calendar months for which the extraordinary recruitment methods were employed.</p>	All income tax filers	<p><b>Rate:</b> 5% of the compensation paid during the first 12 consecutive months to the employee hired to fill the hard-to-fill position, which is allowed in the first tax year following the tax year in which the employee completes the 12th consecutive month of employment.</p> <p><b>Maximum credit per year:</b> None.</p> <p><i>Note: To the extent the amount of the signing bonus, moving expense payment, or non-typical fringe benefit is included in the employee's federal taxable income, the employee is allowed to deduct it in computing ND taxable income.</i></p>	<b>Carryover:</b> 4 years.	None