

Introduced by

1 A BILL for an Act to amend and reenact section 57-39.5-02 of the North Dakota Century Code,
2 relating to elimination of the sales tax exemption for purchases by residents of an adjoining
3 state that does not impose a retail sales tax; to repeal subsection 12 of section 57-39.2-04 of
4 the North Dakota Century Code, relating to elimination of the sales tax exemption for purchases
5 by residents of an adjoining state that does not impose a retail sales tax; and to provide an
6 effective date.

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

8 **SECTION 1. AMENDMENT.** Section 57-39.5-02 of the North Dakota Century Code is
9 amended and reenacted as follows:

10 **57-39.5-02. Imposition - Exemptions.**

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

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

- 1 **SECTION 2. REPEAL.** Subsection 12 of section 57-39.2-04 of the North Dakota Century
- 2 Code is repealed.
- 3 **SECTION 3. EFFECTIVE DATE.** This Act is effective for taxable events occurring after
- 4 June 30, 2013.