

Sixty-third
Legislative Assembly
of North Dakota

ENGROSSED SENATE BILL NO. 2366

Introduced by

Senators Oehlke, Krebsbach, Triplett

Representatives Hatlestad, J. Nelson, Owens

1 A BILL for an Act to create and enact a new section to chapter 57-38 and a new subdivision to
2 subsection 7 of section 57-38-30.3 of the North Dakota Century Code, relating to an income tax
3 credit for contributions to a homeless shelter; to provide an effective date; and to provide an
4 expiration date.

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

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

8 **Income tax credit for contributions to homeless shelters.**

- 9 1. A taxpayer is entitled to a credit as determined under this section against state income
10 tax liability under section 57-38-30 or 57-38-30.3 for charitable contributions made by
11 the taxpayer during the year to a homeless shelter located within this state. The
12 amount of the credit to which a taxpayer is entitled is forty percent of the aggregate
13 amount of charitable contributions made by the taxpayer during the year to homeless
14 shelters.
- 15 2. For purposes of this section, the term "homeless shelter" means a building or structure
16 in which a nonprofit organization, exempt from federal income tax under section 501(c)
17 (3) of the United States Internal Revenue Code [26 U.S.C. 501(c)(3)], provides shelter,
18 or food and shelter, for a limited period of time to individuals and families having
19 neither a home nor the means to obtain a home or other temporary lodging.
- 20 3. North Dakota taxable income must be increased by the amount of the contribution
21 upon which the credit under subsection 1 is computed but only to the extent the
22 contribution reduces federal taxable income.
- 23 4. The contribution amount used to calculate the credit under this section may not be
24 used to calculate any other state income tax deduction or credit allowed by law.

- 1 5. If the amount of the credit exceeds the taxpayer's liability for the taxable year, the
2 excess may be carried forward to each of the ten succeeding taxable years.
- 3 6. A partnership, subchapter S corporation, limited partnership, limited liability company,
4 or any other passthrough entity making a contribution under subsection 1 is
5 considered to be the taxpayer for purposes of this section, and the amount of the
6 credit allowed must be determined at the passthrough entity level. The amount of the
7 total credit determined at the entity level must be passed through to the partners,
8 shareholders, or members in proportion to their respective interests in the passthrough
9 entity.

10 **SECTION 2.** A new subdivision to subsection 7 of section 57-38-30.3 of the North Dakota
11 Century Code is created and enacted as follows:

12 Homeless shelter contribution tax credits under section 1 of this Act.

13 **SECTION 3. EFFECTIVE DATE - EXPIRATION DATE.** This Act is effective for taxable
14 years beginning after December 31, 2012, through December 31, 2016, and after that date is
15 ineffective.