

Sixty-third
Legislative Assembly
of North Dakota

ENGROSSED HOUSE BILL NO. 1277

Introduced by

Representatives Kasper, Beadle, Becker, Dosch, Headland, Kempenich, Monson, Ruby, Thoreson

Senators Berry, Miller, Sorvaag

1 A BILL for an Act to amend and reenact subdivision d of subsection 2 of section 57-38-30.3 of
2 the North Dakota Century Code, relating to individual income tax deductions for capital gains,
3 dividends, and interest earnings; and to provide an effective date.

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

5 **SECTION 1. AMENDMENT.** Subdivision d of subsection 2 of section 57-38-30.3 of the
6 North Dakota Century Code is amended and reenacted as follows:

7 d. Reduced by thirty percent of:

8 ~~(1) The excess one hundred percent of the first seventy-five thousand dollars,~~
9 ~~and ninety percent of any amount exceeding seventy-five thousand dollars, of the~~
10 ~~combined amount of the taxpayer's net:~~

11 ~~(1) Qualified dividend income that is taxed at the same rate as long-term capital~~
12 ~~gain for federal income tax purposes under Internal Revenue Code~~
13 ~~provisions in effect on December 31, 2012;~~

14 ~~(2) Net long-term capital gain for the taxable year over the net short-term~~
15 ~~capital loss for that year, as computed for purposes of the Internal Revenue~~
16 ~~Code of 1986, as amended; and~~

17 ~~(3) Taxable interest.~~

18 The adjustment provided by this subdivision is allowed only to the extent the
19 ~~qualified dividend income, net long-term capital gain, and taxable interest~~ is
20 allocated to this state.

21 ~~(2) The qualified dividend income that is taxed at the same rate as long-term~~
22 ~~capital gain for federal income tax purposes under Internal Revenue Code~~
23 ~~provisions in effect on December 31, 2008. The adjustment provided by this~~

1 ~~subdivision is allowed only to the extent the qualified dividend income is~~
2 ~~allocated to this state.~~

3 **SECTION 2. EFFECTIVE DATE.** This Act is effective for taxable years beginning after
4 December 31, 2012.