

HOUSE BILL NO. 1278

Introduced by

Representatives Fehr, Bellew, B. Koppelman, Lefor, Mock, Monson

1 A BILL for an Act to create and enact a new subsection to section 57-39.2-04 of the North
2 Dakota Century Code, relating to a sales tax exemption for purchases by certain charitable
3 nonprofit organizations; and to provide an effective date.

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

5 **SECTION 1.** A new subsection to section 57-39.2-04 of the North Dakota Century Code is
6 created and enacted as follows:

7 Gross receipts from sales to an organization that maintains a tax-exempt status under
8 section 501(c)(3) of the Internal Revenue Code [26 U.S.C. 501(c)(3)] or section 501(c)
9 (19) of the Internal Revenue Code [26 U.S.C. 501(c)(19)] so long as those sales are
10 not used for purposes that subject the organization to unrelated business income tax
11 under section 512 of the Internal Revenue Code [26 U.S.C. 512]. An organization
12 qualified for the exemption under this subsection must be issued a certificate of
13 exemption by the commissioner and the certificate must be presented to the retailer
14 when this exemption is claimed.

15 **SECTION 2. EFFECTIVE DATE.** This Act is effective for taxable events occurring after
16 June 30, 2015.