

February 17, 2015

PROPOSED AMENDMENTS TO SENATE BILL NO. 2378

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact a new section to chapter 57-38 and a new subdivision to subsection 7 of section 57-38-30.3 of the North Dakota Century Code, relating to an income tax credit for contributions to qualified community of life projects; to provide an effective date; and to provide an expiration date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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

Income tax credit for contributions to qualified community of life projects.

1. A taxpayer is entitled to a credit against the tax imposed under section 57-38-30 or 57-38-30.3 in an amount equal to forty percent of the amount contributed by the taxpayer during the taxable year to a qualified nonprofit organization for qualified community of life projects. Eligible recipients of the contributions under this section include units of local government, state government, tribal government, and nonprofit organizations serving communities in this state. An individual may not qualify for a grant under this section. The maximum credit that may be claimed under this section in a taxable year is twenty thousand dollars for an individual or forty thousand dollars for married individuals filing a joint return. The credit allowed under this section may not exceed that taxpayer's income tax liability.
2. A passthrough entity entitled to the credit under this section must be considered to be the taxpayer for purposes of this section, and the amount of the credit allowed must be determined at the passthrough entity level. The amount of the total credit determined at the entity level must be passed through to the partners, shareholders, or members in proportion to their respective interests in the passthrough entity.
3. The amount of the contribution upon which an allowable credit is computed must be added to federal taxable income in computing North Dakota taxable income in any taxable year in which the contribution reduces federal taxable income, but only to the extent that the contribution reduced federal taxable income.
4. For purposes of this section:
 - a. "Qualified community of life projects" include the construction, refurbishing, reconstruction, rehabilitation, acquisition, or improvement of recreational, arts, science, and quality of life amenity projects.
 - b. "Qualified nonprofit organization" means a North Dakota incorporated or established tax-exempt organization under 26 U.S.C. 501(c)(3) to which contributions qualify for federal charitable income tax

deductions with an established business presence or situs in North Dakota.

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

Qualified community of life project income tax credit under section 1 of this Act.

SECTION 3. EFFECTIVE DATE - EXPIRATION DATE. This Act is effective for the first four taxable years beginning after December 31, 2014, and is thereafter ineffective."

Renumber accordingly