

March 23, 2015

PROPOSED AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1133

Page 1, line 7, after "5-03-05" insert ", 40-57.1-04.4,"

Page 1, line 7, after the first comma insert "subsection 4 of section 57-02-27.2,"

Page 1, line 9, after the first comma insert "the tax lien of record clearance requirement for the new and expanding business income tax exemption,"

Page 1, line 10, after the comma insert "removal of obsolete language from provisions relating to the valuation and assessment of agricultural lands,"

Page 1, after line 21, insert:

"SECTION 2. AMENDMENT. Section 40-57.1-04.4 of the North Dakota Century Code is amended and reenacted as follows:

40-57.1-04.4. Tax lien of record clearanceClearance of tax obligations and tax liens of record.

1. A project operator is not eligible for the income tax exemption under section 40-57.1-04 until a showing is made that the project operator has satisfied all state ~~and~~ local tax obligations and tax liens of record for delinquent property, income, income withholding, sales, or use taxes owed to the state or a political subdivision.
2. A certificate from the tax commissioner to the state board of equalization satisfies the requirement of subsection 1.
3. If the project operator is a corporation or a ~~limited liability company~~passthrough entity defined in section 57-38-01, any of its officers, governors, or managers charged with the responsibility for making either property, income, income withholding, sales, or use tax returns and payments are subject to the provisions of subsections 1 and 2 with respect to all state or local tax obligations and tax liens of record for delinquent property, income, income withholding, sales, or use taxes for which the individual is personally liable. If the project operator is a partnership, each general partner is subject to the provisions of subsections 1 and 2 with respect to all state or local tax obligations or tax liens of record for delinquent property, income, income withholding, sales, or use taxes for which the individual is personally liable."

Page 3, after line 7, insert:

"SECTION 6. AMENDMENT. Subsection 4 of section 57-02-27.2 of the North Dakota Century Code is amended and reenacted as follows:

4. To find the "capitalized average annual gross return", the average annual gross return must be capitalized by a rate that is a ten-year average of the gross agribank mortgage rate of interest for North Dakota, ~~but the rate used for capitalization under this section may not be less than eight percent for taxable year 2009, seven and seven-tenths percent for taxable~~

~~year 2010, and seven and four-tenths percent for taxable year 2011.~~ The ten-year average must be computed from the twelve years ending with the most recent year used under subdivision a of subsection 3, discarding the highest and lowest years, and the gross agribank mortgage rate of interest for each year must be determined in the manner provided in section 20.2032A-4(e)(1) of the United States treasury department regulations for valuing farm real property for federal estate tax purposes, except that the interest rate may not be adjusted as provided in section 20.2032A-4(e)(2)."

Page 4, line 27, after the second boldfaced period insert "Section 2 of this Act is effective for applications filed after June 30, 2015."

Page 4, line 27, replace "5" with "7"

Page 4, line 27, replace "6" with "8"

Page 4, line 28, replace "7" with "9"

Page 4, line 28, replace "8" with "10"

Page 4, line 29, remove "2,"

Page 4, line 29, after the fifth comma insert "5,"

Page 4, line 29, replace "9" with "11"

Page 4, line 29, replace "are" with "become"

Renumber accordingly