

Sixty-sixth
Legislative Assembly
of North Dakota

ENGROSSED SENATE BILL NO. 2165

Introduced by

Senators Vedaa, Clemens, Kreun

Representatives D. Anderson, M. Ruby, Vetter

1 A BILL for an Act to amend and reenact subdivision d of subsection 12 of section 57-39.2-01 of
2 the North Dakota Century Code, relating to the definition of gross receipts.

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

4 **SECTION 1. AMENDMENT.** Subdivision d of subsection 12 of section 57-39.2-01 of the
5 North Dakota Century Code is amended and reenacted as follows:

6 d. "Gross receipts" does not include:

- 7 (1) Discounts, including cash, term, or coupons that are not reimbursed by a
8 third party, which are allowed by a seller and taken by a purchaser on a
9 sale;
- 10 (2) Interest, financing, and carrying charges from credit extended on the sale of
11 personal property or services, if the amount is separately stated on the
12 invoice, bill of sale, or similar document given to the purchaser;
- 13 (3) Any taxes legally imposed directly on the consumer that are separately
14 stated on the invoice, bill of sale, or similar documents given to the
15 purchaser; and
- 16 (4) The sale price of property returned by a customer when the full sale price is
17 refunded either in cash or credit. When tangible personal property is taken
18 in trade or in a series of trades as a credit or part payment of a retail sale
19 taxable under this chapter, if the tangible personal property traded in will be
20 subject to tax imposed by chapter 57-39.5 or 57-40.3 or if the tangible
21 personal property traded in is used farm machinery or used irrigation
22 equipment, the credit or trade-in value allowed by the retailer is not included
23 in gross receipts of the retailer; and

1 (5) The amount of compensation received from an insurance company for the
2 loss of a stolen or totally destroyed watercraft that has been previously
3 taxed under this chapter or chapter 57-40.2. if that compensation is used as
4 a trade-in on the purchase of a replacement watercraft. The trade-in credit is
5 not included in the gross receipts of the retailer.

6 (a) If a watercraft is purchased by an owner who has had a watercraft
7 stolen or totally destroyed, a trade-in credit must be allowed against
8 one or more replacement watercraft purchases in a cumulative
9 amount not to exceed the total amount of compensation from the
10 insurance company for the loss.

11 (b) The purchaser of a replacement watercraft shall provide the seller
12 with an original notarized statement from the insurance company
13 verifying the original watercraft was a total loss and indicating the date
14 and amount of compensation.

15 (c) If the full amount of trade-in credit under this section has not been
16 used, the seller shall record on the face of the notarized statement the
17 necessary information to identify partial use of the credit, retain a copy
18 of the notarized statement to verify the credit allowed, and return the
19 original notarized statement to the purchaser. If the full amount of the
20 credit has been used, the seller shall retain the original notarized
21 statement to verify the amount of trade-in credit allowed.

22 (d) Trade-in credit for a watercraft stolen or totally destroyed may be
23 applied to purchases of replacement watercraft made within three
24 years from the date of compensation by the insurance company.