

Sixty-sixth
Legislative Assembly
of North Dakota

SENATE BILL NO. 2302

Introduced by

Senators Mathern, Heckaman, J. Roers

Representatives Hanson, Zubke

1 A BILL for an Act to create and enact a new section to Chapter 57-38 and a new subdivision to
2 subsection 7 of section 57-38-30.3 of the North Dakota Century Code, relating to an income tax
3 credit for contributions to the housing incentive fund; and to provide an effective date.

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

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

7 **Housing incentive fund tax credit.**

- 8 1. A taxpayer is entitled to a credit as determined under this section against state income
9 tax liability under section 57-38-30 or 57-38-30.3 for contributing to the housing
10 incentive fund under section 54-17-40. The amount of the credit is equal to the amount
11 contributed to the fund during the taxable year.
- 12 2. North Dakota taxable income must be increased by the amount of the contribution
13 upon which the credit under this section is computed but only to the extent the
14 contribution reduced federal taxable income.
- 15 3. The contribution amount used to calculate the credit under this section may not be
16 used to calculate any other state income tax deduction or credit allowed by law.
- 17 4. If the amount of the credit exceeds the taxpayer's tax liability for the taxable year, the
18 excess may be carried forward to each of the ten succeeding taxable years.
- 19 5. The aggregate amount of tax credits allowed to all eligible contributors is limited to ten
20 million dollars.
- 21 6. Within thirty days after the date on which a taxpayer makes a contribution to the
22 housing incentive fund, the housing finance agency shall file with each contributing
23 taxpayer, and a copy with the tax commissioner, completed forms that show as to
24 each contribution to the fund by that taxpayer the following:

- 1 a. The name, address, and social security number or federal employer identification
- 2 number of the taxpayer that made the contribution.
- 3 b. The dollar amount paid for the contribution by the taxpayer.
- 4 c. The date the payment was received by the fund.
- 5 7. To receive the tax credit provided under this section, a taxpayer shall claim the credit
- 6 on the taxpayer's state income tax return in the manner prescribed by the tax
- 7 commissioner and file with the return a copy of the form issued by the housing finance
- 8 agency under subsection 6.
- 9 8. Notwithstanding the time limitations contained in section 57-38-38, this section does
- 10 not prohibit the tax commissioner from conducting an examination of the credit
- 11 claimed and assessing additional tax due under section 57-38-38.
- 12 9. A passthrough entity making a contribution to the housing incentive fund under this
- 13 section is considered to be the taxpayer for purposes of this section, and the amount
- 14 of the credit allowed must be determined at the passthrough entity level. The amount
- 15 of the total credit determined at the entity level must be passed through to the
- 16 partners, shareholders, or members in proportion to their respective interests in the
- 17 passthrough entity.

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

20 Housing incentive fund tax credit under section 1 of this Act.

21 **SECTION 3. EFFECTIVE DATE.** This Act is effective for taxable years beginning after
22 December 31, 2018.