

**Sixty-sixth Legislative Assembly of North Dakota
In Regular Session Commencing Thursday, January 3, 2019**

SENATE BILL NO. 2165
(Senators Vedaa, Clemens, Kreun)
(Representatives D. Anderson, M. Ruby, Vetter)

AN ACT to amend and reenact subdivision d of subsection 12 of section 57-39.2-01 of the North Dakota Century Code, relating to the definition of gross receipts.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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

- d. "Gross receipts" does not include:
- (1) Discounts, including cash, term, or coupons that are not reimbursed by a third party, which are allowed by a seller and taken by a purchaser on a sale;
 - (2) Interest, financing, and carrying charges from credit extended on the sale of personal property or services, if the amount is separately stated on the invoice, bill of sale, or similar document given to the purchaser;
 - (3) Any taxes legally imposed directly on the consumer that are separately stated on the invoice, bill of sale, or similar documents given to the purchaser; ~~and~~
 - (4) The sale price of property returned by a customer when the full sale price is refunded either in cash or credit. When tangible personal property is taken in trade or in a series of trades as a credit or part payment of a retail sale taxable under this chapter, if the tangible personal property traded in will be subject to tax imposed by chapter 57-39.5 or 57-40.3 or if the tangible personal property traded in is used farm machinery or used irrigation equipment, the credit or trade-in value allowed by the retailer is not included in gross receipts of the retailer; and
 - (5) The amount of compensation received from an insurance company for the loss of a stolen or totally destroyed watercraft that has been previously taxed under this chapter or chapter 57-40.2, if that compensation is used as a trade-in on the purchase of a replacement watercraft. The trade-in credit is not included in the gross receipts of the retailer.
 - (a) If a watercraft is purchased by an owner who has had a watercraft stolen or totally destroyed, a trade-in credit must be allowed against one or more replacement watercraft purchases in a cumulative amount not to exceed the total amount of compensation from the insurance company for the loss.
 - (b) The purchaser of a replacement watercraft shall provide the seller with an original notarized statement from the insurance company verifying the original watercraft was a total loss and indicating the date and amount of compensation.
 - (c) If the full amount of trade-in credit under this section has not been used, the seller shall record on the face of the notarized statement the necessary information to identify partial use of the credit, retain a copy of the notarized statement to verify the credit allowed, and return the original notarized statement to the purchaser. If the full amount of the credit has been used, the

seller shall retain the original notarized statement to verify the amount of trade-in credit allowed.

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

President of the Senate

Speaker of the House

Secretary of the Senate

Chief Clerk of the House

This certifies that the within bill originated in the Senate of the Sixty-sixth Legislative Assembly of North Dakota and is known on the records of that body as Senate Bill No. 2165.

Senate Vote: Yeas 45 Nays 0 Absent 2

House Vote: Yeas 86 Nays 0 Absent 8

Secretary of the Senate

Received by the Governor at _____ M. on _____, 2019.

Approved at _____ M. on _____, 2019.

Governor

Filed in this office this _____ day of _____, 2019,

at _____ o'clock _____ M.

Secretary of State