

February 7, 2023

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1504

Page 1, line 1, remove "a new section to chapter 5-03 and"

Page 1, line 2, after "57-38" insert "and a new subdivision to subsection 7 of section 57-38-30.3"

Page 1, line 2, remove "an alcoholic beverage tax credit for"

Page 1, line 3, remove "qualified microbrew pubs and brewer taproom licensees for barley purchases and"

Page 1, remove lines 7 through 23

Page 2, remove lines 1 and 2

Page 2, line 5, after "credit" insert "**for brewers**"

Page 2, line 8, after "57-38-30" insert "and 57-38-30.3"

Page 2, line 8, replace "fifteen" with "five"

Page 2, remove line 9

Page 2, line 10, replace "this state if the beer was subject to the tax in section 5-03-07" with "cost of the barley purchased from a farmer or supplier in this state. The maximum credit allowed for each eligible brewer under this section for the taxable year is fifty thousand dollars"

Page 2, line 11, replace ", a brewer" with ":

a. "Brewer"

Page 2, line 11, remove "licensed"

Page 2, line 11, remove "or importer"

Page 2, line 11, after "beer" insert "licensed under chapter 5-01 or a supplier of beer licensed under chapter 5-03 which is"

Page 2, line 12, remove "who enters an agreement with any beer wholesaler"

Page 2, line 13, remove "licensed to do business in this state"

Page 2, after line 13, insert:

"b. "Purchase" does not include any expense incurred by the purchaser to complete the sale, including:

(1) Transportation or delivery costs;

(2) Service fees;

(3) Taxes; or

(4) Any other expense incurred by the purchaser that is necessary to complete the sale."

Page 2, line 18, replace "To apply for the credit, the" with "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 passthrough entity level must be allowed to the partners, shareholders, or members in proportion to their respective interests in the passthrough entity.

5. The"

Page 2, line 18, remove "annually"

Page 2, line 18, remove "sign and"

Page 2, line 18, after "file" insert "the following information for purposes of verification of eligibility for the credit under this section"

Page 2, line 18, remove "tax"

Page 2, remove line 19

Page 2, line 20, replace "applicant's qualifications for the credit under this section and any" with "brewer's return:

- a. The name and address of each barley farmer or supplier from which the brewer purchased barley;
- b. The brewer's license number issued under chapter 5-01 or 5-03;
- c. The brewer's total annual purchases of barley;
- d. The total amount of barley purchased from a farmer or supplier located in this state; and
- e. Any"

Page 2, remove lines 22 through 24

Page 2, after line 26, insert:

**"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:

North Dakota barley tax credit for brewers under section 1 of this Act."

Re-number accordingly