

April 17, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

SENATE BILL NO. 2282

Introduced by

Senators Hogan, Weber, Wobbema

Representatives Mitskog, O'Brien

In place of amendment (25.1035.01002) adopted by the House, Senate Bill No. 2282 is amended by amendment (25.1035.01005) as follows:

1 A BILL for an Act to create and enact a new section to chapter 57-38 and 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 child care contributions provided by qualified employers; and to provide an effective
4 date.

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

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

8 **Child care contribution credit.**

- 9 1. A taxpayer that is a qualified employer is entitled to a credit against the income tax
10 liability under section 57-38-30 or 57-38-30.3 as provided in this section. The total
11 credit available with respect to each ~~qualifying employee~~ qualified employer is equal to
12 ~~thirty~~ fifty percent of the taxpayer's aggregate child care contributions ~~toward child care~~
13 ~~costs of qualified employees~~ paid during the taxable year ~~in which the credit is~~
14 ~~claimed~~. The credit must be claimed for the taxable year in which the child care
15 contributions are made.
- 16 2. The credit allowed under this section may not exceed the liability for tax under this
17 chapter. Any credit amount exceeding a taxpayer's liability for the taxable year may not
18 be claimed as a carryback or carryforward.
- 19 3. A passthrough entity entitled to the credit under this section must be considered to be
20 the taxpayer for purposes of this section and the amount of the credit allowed must be

1 determined at the passthrough entity level. The amount of the total credit determined
2 at the passthrough entity level must be allowed to the partners, shareholders, or
3 members in proportion to their respective interests in the passthrough entity.

4 4. To receive the tax credit provided under this section, a taxpayer shall claim the credit
5 in the form and manner prescribed by the tax commissioner. The tax commissioner
6 shall prescribe, design, and make available all forms necessary to effectuate this
7 section.

8 5. For purposes of this section:

9 a. "Aggregate child care contributions" means the total amount of child care
10 contributions made by a qualified employer to all qualified employees during the
11 taxable year, limited to the first ~~five hundred~~ one thousand dollars in child care
12 contributions per ~~qualifying~~ qualified employee.

13 b. "Child care costs" means costs incurred by an employee for early childhood
14 services rendered by a child care provider, which are incurred to enable the
15 employee to be gainfully employed by an employer.

16 c. "Child care contribution" means a payment made to a child care provider by a
17 qualified employer to subsidize a qualified employee's child care costs and a
18 payment made to a qualified employee's child care costs.

19 d. "Child care provider" means an early childhood services provider licensed under
20 chapter 50-11.1 or a substantially similar provider that is licensed by another
21 state and provides early childhood services within ten miles of this state.

22 e. "Early childhood services" has the same meaning as in section 50-11.1-02.

23 f. "Qualified employee" means an individual employed by the qualified employer
24 claiming the credit under this section.

25 g. "Qualified employer" means an employer that, in the taxable year ~~for which the~~
26 ~~employer claimed the credit under this section:~~

27 (1) Made a child care contribution; and

28 (2) Provided an equal opportunity to all employees that have child care costs to
29 receive an equal child care contribution from the employer during the
30 taxable year.

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

3 Child care contribution credit under section 1 of this Act .

4 **SECTION 3. EFFECTIVE DATE.** This Act is effective for taxable years beginning after
5 December 31, 2024.