

PROPOSED AMENDMENTS TO

SENATE BILL NO. 2282

Introduced by

Senators Hogan, Weber, Wobbema

Representatives Mitskog, O'Brien

In place of the amendments (25.1035.01002) adopted by the House, Senate Bill No. 2282 is amended by amendment (25.1035.01004) 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 is equal to thirty percent of~~
12 ~~the taxpayer's aggregate~~in the amount of up to five hundred dollars in child care
13 ~~toward child care costs of~~made by the qualified employer for each
14 qualified ~~employees paid~~employee during the taxable year in which the credit is
15 ~~claimed.~~ The credit must be claimed for the taxable year in which the child care
16 contributions are made.
- 17 2. The credit allowed under this section may not exceed the liability for tax under this
18 chapter. Any credit amount exceeding a taxpayer's liability for the taxable year may not
19 be claimed as a carryback or carryforward.

- 1 3. A passthrough entity entitled to the credit under this section must be considered to be
2 the taxpayer for purposes of this section and the amount of the credit allowed must be
3 determined at the passthrough entity level. The amount of the total credit determined
4 at the passthrough entity level must be allowed to the partners, shareholders, or
5 members in proportion to their respective interests in the passthrough entity.
- 6 4. To receive the tax credit provided under this section, a taxpayer shall claim the credit
7 in the form and manner prescribed by the tax commissioner. The tax commissioner
8 shall prescribe, design, and make available all forms necessary to effectuate this
9 section.
- 10 5. For purposes of this section:
- 11 a. ~~"Aggregate child care contributions" means the total amount of child care~~
12 ~~contributions made by a qualified employer to all qualified employees during the~~
13 ~~taxable year, limited to the first five hundred dollars in child care contributions per~~
14 ~~qualifying employee.~~
- 15 ~~b.~~ "Child care costs" means costs incurred by an employee for early childhood
16 services rendered by a child care provider, which are incurred to enable the
17 employee to be gainfully employed by an employer.
- 18 ~~e.b.~~ "Child care contribution" means a payment made to a child care provider by a
19 qualified employer to subsidize a qualified employee's child care costs and a
20 payment made to a qualified employee for reimbursement of the qualified
21 employee's child care costs.
- 22 ~~d.c.~~ "Child care provider" means an early childhood services provider licensed under
23 chapter 50-11.1 or a substantially similar provider that is licensed by another
24 state and provides early childhood services within ten miles of this state.
- 25 ~~e.d.~~ "Early childhood services" has the same meaning as in section 50-11.1-02.
- 26 ~~f.e.~~ "Qualified employee" means an individual employed by the qualified employer
27 claiming the credit under this section.
- 28 ~~g.f.~~ "Qualified employer" means an employer that, in the taxable year for which the
29 ~~employer claimed the credit under this section:~~
- 30 (1) Made a child care contribution; and

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

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

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

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