

HOUSE BILL NO. 1320

Introduced by

Representatives S. Kelsh, Delmore, Price

Senators T. Mathern, Thane

1 A BILL for an Act to create and enact a new section to chapter 57-38 and a new subsection to
2 section 57-38-30.3 of the North Dakota Century Code, relating to an income tax credit for
3 employers who provide a child care program for children of employees; and to provide an
4 effective 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
7 created and enacted as follows:

8 **Credit for employee child care program.** An employer is entitled to an income tax
9 credit against taxes due and computed under section 57-38-29, 57-38-30, or 57-38-30.3 for the
10 employer's net cost of operating a child care program used primarily by children of the
11 taxpayer's employees. The amount of the credit allowed by this section for any child care
12 program may not exceed twenty-five thousand dollars for any taxable year. If two or more
13 employers share in the costs eligible for the credit provided by this section, each employer is
14 eligible for the portion of the credit which equals that employer's share of the net cost for
15 operation of the child care program. The amount of credit in any taxable year under this section
16 is limited to the lesser of the taxpayer's tax liability under this chapter or the taxpayer's net cost
17 of operating a child care program, and any excess may be carried over and applied against
18 taxes due under this chapter for up to three taxable years. In addition to the credit allowed
19 under this section, the taxpayer is eligible for any allowable depreciation for the facility in which
20 the child care program is operated. The tax basis for any facility in which a child care program
21 is operated must be reduced by the amount of the credits allowed under this section for use of
22 the facility.

23 **SECTION 2.** A new subsection to section 57-38-30.3 of the 1997 Supplement to the
24 North Dakota Century Code is created and enacted as follows:

1 An individual, estate, or trust is allowed, as a credit against the tax otherwise due
2 under this section, the employer child care program credit under section 1 of this
3 Act.

4 **SECTION 3. EFFECTIVE DATE.** This Act is effective for taxable years beginning after
5 December 31, 1998.