

PROPOSED AMENDMENTS TO SENATE BILL NO. 2284

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact a new subdivision to subsection 1 of section 57-38-01.2 and a new subsection to section 57-38-30.3 of the North Dakota Century Code, relating to reduction of the income tax marriage penalty; to provide an effective date; and to provide an expiration date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. A new subdivision to subsection 1 of section 57-38-01.2 of the 1997 Supplement to the North Dakota Century Code is created and enacted as follows:

Reduced by an amount equal to five percent of federal adjusted gross income for the same taxable year for which the return is being filed under this chapter, if all of the following conditions are met:

- (1) The deduction under this subdivision is claimed on a joint return;
- (2) The person with the lower reported income of the two people filing the joint return earned at least thirty percent of the total income reported by the two people; and
- (3) The combined gross income of the two people filing the joint return is less than one hundred fifty thousand dollars.

SECTION 2. A new subdivision to subsection 1 of section 57-38-01.2 of the 1997 Supplement to the North Dakota Century Code is created and enacted as follows:

Reduced by an amount equal to ten percent of federal adjusted gross income for the same taxable year for which the return is being filed under this chapter, if all of the following conditions are met:

- (1) The deduction under this subdivision is claimed on a joint return;
- (2) The person with the lower reported income of the two people filing the joint return earned at least thirty percent of the total income reported by the two people; and
- (3) The combined gross income of the two people filing the joint return is less than one hundred fifty thousand dollars.

SECTION 3. A new subsection to section 57-38-30.3 of the 1997 Supplement to the North Dakota Century Code is created and enacted as follows:

Taxpayers filing a joint return under this section are entitled to recompute a federal income tax liability figure to be used as a starting point to determine state income tax liability under this section if they meet the requirements of this subsection. Recomputed federal income tax liability must be determined by subtracting an amount equal to five percent of federal adjusted gross income from federal taxable income and using the resulting federal taxable income figure to recompute federal income tax liability

according to rate tables provided for federal income tax purposes. The recomputed amount is federal income tax liability to be used as a starting point for the taxpayers if all of the following conditions are met:

- a. The right to recomputation under this subsection is claimed on a joint return;
- b. The person with the lower reported income of the two people filing the joint return earned at least thirty percent of the total income reported by the two people; and
- c. The combined gross income of the two people filing the joint return is less than one hundred fifty thousand dollars.

SECTION 4. A new subsection to section 57-38-30.3 of the 1997 Supplement to the North Dakota Century Code is created and enacted as follows:

Taxpayers filing a joint return under this section are entitled to recompute a federal income tax liability figure to be used as a starting point to determine state income tax liability under this section if they meet the requirements of this subsection. Recomputed federal income tax liability must be determined by subtracting an amount equal to ten percent of federal adjusted gross income from federal taxable income and using the resulting federal taxable income figure to recompute federal income tax liability according to rate tables provided for federal income tax purposes. The recomputed amount is federal income tax liability to be used as a starting point for the taxpayers if all of the following conditions are met:

- a. The right to recomputation under this subsection is claimed on a joint return;
- b. The person with the lower reported income of the two people filing the joint return earned at least thirty percent of the total income reported by the two people; and
- c. The combined gross income of the two people filing the joint return is less than one hundred fifty thousand dollars.

SECTION 5. EFFECTIVE DATE - EXPIRATION DATE. Sections 1 and 3 of this Act are effective for the first two taxable years beginning after December 31, 2000, and are thereafter ineffective. Sections 2 and 4 of this Act are effective for taxable years beginning after December 31, 2002. This Act is ineffective for taxable years for which the tax commissioner certifies to the governor and the legislative council that Congress has enacted federal legislation that eliminates the marriage tax penalty under federal income tax law."

Renumber accordingly