

HOUSE BILL NO. 1363

Introduced by

Representatives Renner, Nicholas, Rennerfeldt

Senators Urlacher, Wanzek

1 A BILL for an Act to amend and reenact paragraph 3 of subdivision b of subsection 15 of
2 section 57-02-08 of the North Dakota Century Code, relating to inclusion of depreciation
3 expenses from farming activities in net income for purposes of the farm buildings property tax
4 exemption; and to provide an effective date.

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

6 **SECTION 1. AMENDMENT.** Paragraph 3 of subdivision b of subsection 15 of section
7 57-02-08 of the 1997 Supplement to the North Dakota Century Code is amended and
8 reenacted as follows:

9 (3) "Net income from farming activities" described in paragraph 2 means
10 taxable income from those activities as computed for income tax
11 purposes pursuant to chapter 57-38 adjusted to include the following:

12 (a) The difference between gross sales price less expenses of sale
13 and the amount reported for sales of agricultural products for
14 which the farmer reported a capital gain.

15 (b) Interest expenses from farming activities which have been
16 deducted in computing taxable income.

17 (c) Depreciation expenses from farming activities which have been
18 deducted in computing taxable income.

19 **SECTION 2. EFFECTIVE DATE.** This Act is effective for taxable years beginning after
20 December 31, 1998.