

Fifty-sixth Legislative Assembly, State of North Dakota, begun in the Capitol in the City of Bismarck, on Tuesday, the fifth day of January, one thousand nine hundred and ninety-nine

HOUSE BILL NO. 1363
(Representatives Renner, Nicholas, Rennerfeldt)
(Senators Urlacher, Wanzek)

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

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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

- (3) "Net income from farming activities" described in paragraph 2 means taxable income from those activities as computed for income tax purposes pursuant to chapter 57-38 adjusted to include the following:
 - (a) The difference between gross sales price less expenses of sale and the amount reported for sales of agricultural products for which the farmer reported a capital gain.
 - (b) Interest expenses from farming activities which have been deducted in computing taxable income.
 - (c) Depreciation expenses from farming activities which have been deducted in computing taxable income.

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

Speaker of the House

President of the Senate

Chief Clerk of the House

Secretary of the Senate

This certifies that the within bill originated in the House of Representatives of the Fifty-sixth Legislative Assembly of North Dakota and is known on the records of that body as House Bill No. 1363.

House Vote: Yeas 90 Nays 4 Absent 4

Senate Vote: Yeas 47 Nays 0 Absent 2

Chief Clerk of the House

Received by the Governor at _____ M. on _____, 1999.

Approved at _____ M. on _____, 1999.

Governor

Filed in this office this _____ day of _____, 1999,

at _____ o'clock _____ M.

Secretary of State