

HOUSE BILL NO. 1480

Introduced by

Representatives Cleary, Boehm, Kerzman

Senators Wanzek, Kilzer

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 tuition credit for
3 individuals, estates, and trusts for costs of tuition and textbooks for attendance by a dependent
4 at an elementary or secondary school in this state; and to provide an 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 **Elementary and secondary education tuition tax credit.** An individual, estate, or
9 trust filing a return under this chapter whose taxable income does not exceed thirty-nine
10 thousand dollars may claim a credit equal to fifty percent of the amount paid by the taxpayer
11 during the taxable year for each dependent in grades one through twelve for tuition and
12 textbooks for attendance at a school or a nonpublic school in this state as those terms are
13 defined in section 15-34.1-00.1. The school or nonpublic school may not be operated for profit
14 and must adhere to the provisions of the Civil Rights Act of 1964 [Pub. L. 88-352; 78 Stat. 241]
15 and the nondiscrimination provisions of chapter 14-02.4. As used in this section, "textbooks"
16 includes books and other instructional materials used in elementary and secondary schools in
17 teaching only those subjects legally and commonly taught in public elementary and secondary
18 schools in this state. "Textbooks" does not include instructional books and materials used in
19 the teaching of religious tenets, doctrines, or worship, the purpose of which is to instill such
20 tenets, doctrines, or worship. The credit under this section does not apply to any amount paid
21 for books, materials, or other expenditures for participation in extracurricular activities including
22 sporting events, musical or dramatic events, speech activities, driver education, or similar
23 programs. The credit allowed under this section may not exceed two hundred dollars for each
24 qualified dependent. If the amount of credit which the taxpayer is eligible to receive under this

1 section exceeds the taxpayer's liability under this chapter, the commissioner shall refund the
2 excess to the taxpayer.

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

5 A taxpayer filing a return under this section is entitled to the credit provided under
6 section 1 of this Act.

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