

February 3, 1999

PROPOSED AMENDMENTS TO SENATE BILL NO. 2417

Page 1, line 2, replace "and" with "to create and enact a new subsection to section 57-38-30.3 of the North Dakota Century Code, relating to empowerment zone tax credits;" and after "appropriation" insert "; and to provide an effective date"

Page 6, after line 6, insert:

- "4. A partnership, limited partnership, subchapter S corporation, limited liability company or any other pass-through entity that invests in an empowerment zone must be considered to be the taxpayer for purposes of any credit calculations or investment limitations in this section, and the amount of the credit allowed with respect to the entity's investments must be determined at the pass-through entity level. The amount of the total exemption or credit determined at the entity level must be passed through to the partners, shareholders, or members in proportion to their respective interests in the pass-through entity."

Page 6, line 7, replace "4" with "5"

Page 8, after line 2, insert:

**"SECTION 11.** 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:

An individual, estate, or trust is allowed, as a credit against the tax otherwise due under this section, the empowerment zone tax credits under section 8 of this Act."

Page 8, after line 7, insert:

**"SECTION 13. EFFECTIVE DATE.** Section 8 of this Act is effective for taxable years beginning after December 31, 1998, and does not apply to any investments or activities that occurred before January 1, 1999."

Renumber accordingly