

**SENATE BILL NO. 2408**

Introduced by

Senators D. Mathern, Bercier, Grindberg

Representatives Hawken, S. Kelsh

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 credit for  
3 employers who make a contribution to support child care or provide a child care program for  
4 children of employees; 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 **Credit for employee child care program or support for child care.**

- 9 1. An employer is entitled to an income tax credit against taxes due and computed  
10 under section 57-38-29, 57-38-30, or 57-38-30.3 for the employer's net cost of  
11 operating a child care program used primarily by children of the taxpayer's  
12 employees or an employer's net cost of any monetary or in-kind contribution to  
13 support child care. For purposes of this section, a contribution to support child  
14 care includes:
- 15 a. Donating money or real or personal property for the establishment or  
16 operation of a child care facility;
  - 17 b. Donating money for a grant or voucher program for parents requiring financial  
18 assistance for child care;
  - 19 c. Donating money for child care provider training;
  - 20 d. Donating money or other resources to support a family child care network;
  - 21 e. Purchasing slots at a child care facility for use by dependents of employees;
  - 22 and
  - 23 f. Purchasing or providing resource and referral services to assist employees in  
24 obtaining care for their children.

1           2.    The amount of the credit allowed by this section for any child care program or  
2                    support for child care may not exceed twenty-five thousand dollars for any taxable  
3                    year. If two or more employers share in the costs eligible for the credit provided by  
4                    this section, each employer is eligible for the portion of the credit which equals that  
5                    employer's share of the net cost of the contribution or the operation of the child  
6                    care program. The amount of credit in any taxable year under this section is  
7                    limited to the lesser of the taxpayer's tax liability under this chapter or the  
8                    taxpayer's net cost of the contribution or of operating a child care program, and any  
9                    excess may be carried over and applied against taxes due under this chapter for  
10                   up to three taxable years. In addition to the credit allowed under this section, the  
11                   taxpayer is eligible for any allowable depreciation for the facility in which the child  
12                   care program is operated. The tax basis for any facility in which a child care  
13                   program is operated by the taxpayer must be reduced by the amount of the credits  
14                   allowed under this section for use of the facility.

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

17                    An individual, estate, or trust is allowed, as a credit against the tax otherwise due  
18                    under this section, the employer child care program credit under section 1 of this  
19                    Act.

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