

SENATE BILL NO. 2099

Introduced by

Finance and Taxation Committee

(At the request of the Tax Commissioner)

1 A BILL for an Act to create and enact section 57-40.2-15.2 of the North Dakota Century Code,
2 relating to governor and manager liability for use tax; and to amend and reenact sections
3 57-39.2-15.2, 57-39.2-18.1, and 57-40.2-15.1 of the North Dakota Century Code, relating to
4 governor and manager liability for sales taxes.

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

6 **SECTION 1. AMENDMENT.** Section 57-39.2-15.2 of the North Dakota Century Code
7 is amended and reenacted as follows:

8 **57-39.2-15.2. Governor and manager liability.** If a limited liability company ~~is an~~
9 ~~employer and~~ required to hold a permit issued under this chapter fails for any reason to file the
10 required returns or to pay the taxes due under this chapter, the governor or manager, jointly or
11 severally charged with the responsibility of supervising the preparation of ~~such~~ the returns and
12 payments, is personally liable for ~~such~~ the failure. The dissolution of a limited liability company
13 does not discharge a governor's or manager's liability for a prior failure of the limited liability
14 company to file a return or remit the tax due. The taxes, penalty, and interest may be assessed
15 and collected under the provisions of this chapter.

16 **SECTION 2. AMENDMENT.** Section 57-39.2-18.1 of the 1997 Supplement to the
17 North Dakota Century Code is amended and reenacted as follows:

18 **57-39.2-18.1. Corporate officer ~~and limited liability company~~ governor or manager**
19 **liability.** If a corporation ~~or limited liability company holding~~ required to hold a permit issued
20 pursuant to the provisions of this chapter fails for any reason to file the required returns or to
21 pay the tax due, any of its officers, ~~governors, or managers~~ having control, or supervision of, or
22 charged with the responsibility for making ~~such~~ the returns and payments ~~shall be~~ is personally
23 liable for ~~such~~ the failure. The dissolution of a corporation ~~or limited liability company~~ shall
24 does not discharge an officer's, ~~governor's, or manager's~~ liability for a prior failure of the

1 corporation ~~or limited liability company~~ to make a return or remit the tax due. The sum due for
2 ~~such a~~ the liability may be assessed and collected pursuant to the provisions of this chapter for
3 the assessment and collection of other liabilities.

4 **SECTION 3. AMENDMENT.** Section 57-40.2-15.1 of the North Dakota Century Code
5 is amended and reenacted as follows:

6 **57-40.2-15.1. Corporate officer ~~and limited liability company manager~~ liability.** If a
7 corporation ~~or limited liability company~~ holding a permit issued pursuant to the provisions of this
8 ~~chapter~~ fails for any reason to file the required returns or to pay the tax due under this chapter,
9 any of its officers or managers having control, or supervision of, or charged with the
10 responsibility for making ~~such the~~ returns and payments ~~shall be~~ is personally liable for ~~such~~
11 the failure. The dissolution of a corporation ~~or limited liability company~~ ~~shall~~ does not discharge
12 an officer's liability for a prior failure of the corporation ~~or limited liability company~~ to make a
13 return or remit the tax due. The sum due for ~~such a~~ the liability may be assessed and collected
14 pursuant to the provisions of this chapter for the assessment and collection of other liabilities.

15 **SECTION 4.** Section 57-40.2-15.2 of the North Dakota Century Code is created and
16 enacted as follows:

17 **57-40.2-15.2. Governor and manager liability.** If a limited liability company fails for
18 any reason to file the required returns or to pay the taxes due under this chapter, the governor
19 or manager, jointly or severally charged with the responsibility of supervising the preparation of
20 the returns and payments, is personally liable for the failure. The dissolution of a limited liability
21 company does not discharge a governor's or manager's liability for a prior failure of the limited
22 liability company to file a return or remit the tax due. The sum due for such a liability may be
23 assessed and collected under the provisions of this chapter.