

Fifty-seventh
Legislative Assembly
of North Dakota

ENGROSSED SENATE BILL NO. 2189

Introduced by

Senators Krebsbach, Espegard, Robinson

Representatives Berg, Mahoney, Price

1 A BILL for an Act to create and enact a new subdivision to subsection 1 of section 57-38-01.3
2 of the North Dakota Century Code, relating to a corporate income tax deduction for dividends
3 paid to shareholders by a regulated investment company or a fund of a regulated investment
4 company; and to provide an effective date.

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

6 **SECTION 1.** A new subdivision to subsection 1 of section 57-38-01.3 of the North
7 Dakota Century Code is created and enacted as follows:

8 Reduced by dividends paid, as defined in section 561 of the Internal Revenue
9 Code of 1986, as amended, by a regulated investment company or a fund of
10 a regulated investment company as defined in section 851(a) or 851(g) of the
11 Internal Revenue Code of 1986, as amended, except that the deduction for
12 dividends paid is not allowed with respect to dividends attributable to any
13 income that is not subject to taxation under this chapter when earned by the
14 regulated investment company. Sections 852(b)(7) and 855 of the Internal
15 Revenue Code of 1986, as amended, apply for computing the deduction for
16 dividends paid. A regulated investment company is not allowed a deduction
17 for dividends received as defined in sections 243 through 245 of the Internal
18 Revenue Code of 1986, as amended.

19 **SECTION 2. EFFECTIVE DATE.** This Act is effective for assessments made after
20 December 31, 2000.