

SENATE BILL NO. 2336

Introduced by

Senators Lee, Klein

Representatives Berg, Clark, Pietsch

1 A BILL for an Act to create and enact a new subdivision to subsection 1 of section 57-38-01.3 of
2 the North Dakota Century Code, relating to a corporate income tax deduction for research and
3 development expenditures at an approved research and development center in this state; and
4 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 twenty percent of qualified research and development costs of a
9 product produced in this state. This deduction is available in each of the first
10 five taxable years of sales of the product by the corporation. For purposes of
11 this section:

12 (1) "Qualified research and development costs" means expenditures by the
13 corporation for research and development performed at an approved
14 research and development center for the product.

15 (2) "Research and development center" means a nonprofit research and
16 development facility that has been approved by the department of
17 economic development and finance to conduct research necessary to
18 create, develop, and bring products to market.

19 **SECTION 2. EFFECTIVE DATE.** This Act is effective for taxable years beginning after
20 December 31, 2000.