

HOUSE BILL NO. 1108
with Senate Amendments

Fifty-ninth
Legislative Assembly
of North Dakota

HOUSE BILL NO. 1108

Introduced by

Finance and Taxation Committee

(At the request of the Tax Commissioner)

1 A BILL for an Act to create and enact two new subdivisions to subsection 1 of section
2 57-38-01.3 of the North Dakota Century Code, relating to adjustments to federal taxable
3 income for corporate income tax purposes; to amend and reenact subdivision e of subsection 1
4 of section 57-38-30 of the North Dakota Century Code, relating to the imposition and rate of tax
5 on corporations; and to provide an effective date.

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

7 **SECTION 1.** Two new subdivisions to subsection 1 of section 57-38-01.3 of the North
8 Dakota Century Code are created and enacted as follows:

9 Increased by the amount of the deduction allowable under section 199 of the
10 Internal Revenue Code [26 U.S.C. 199], but only to the extent of the
11 deduction taken to determine federal taxable income.

12 For tax years 2005 and 2006, increased by the amount of extraterritorial
13 income as defined in section 114 of the Internal Revenue Code [26 U.S.C.
14 114], that is excluded under sections 101(d), 101(e), and 101(f) of Pub. L.
15 108-357 [118 Stat. 1418], but only to the extent the income was excluded in
16 determining federal taxable income.

17 **SECTION 2. AMENDMENT.** Subdivision e of subsection 1 of section 57-38-30 of the
18 North Dakota Century Code is amended and reenacted as follows:

19 e. On all taxable income above thirty thousand dollars, at the rate of ~~seven~~ six
20 and one-half percent.

21 **SECTION 3. EFFECTIVE DATE.** Section 1 this Act is effective for taxable years
22 beginning after December 31, 2004. Section 2 of this Act is effective for taxable years
23 beginning after December 31, 2006.