

**SENATE BILL NO. 2273**

Introduced by

Senators Grindberg, Campbell, Schneider

Representatives Beadle, Kreun, Nathe

1 A BILL for an Act to create and enact a new subsection to section 57-35.3-05 of the North  
2 Dakota Century Code, relating to a financial institutions tax credit for investments in an angel  
3 fund; to amend and reenact subsection 1 of section 57-38-01.26 of the North Dakota Century  
4 Code, relating to a financial institutions tax credit for investments in an angel fund and  
5 elimination of the lifetime limit on angel fund investment tax credits for individuals; and to  
6 provide an effective date.

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

8 **SECTION 1.** A new subsection to section 57-35.3-05 of the North Dakota Century Code is  
9 created and enacted as follows:

10 There is allowed a credit against the tax imposed by sections 57-35.3-01 through  
11 57-35.3-12 in an amount equal to forty-five percent of the amount remitted by the  
12 taxpayer to an angel fund during the taxable year. The credit allowed under this  
13 subsection is subject to the terms, conditions, and limitations of the angel fund income  
14 tax credit under section 57-38-01.26.

15 **SECTION 2. AMENDMENT.** Subsection 1 of section 57-38-01.26 of the North Dakota  
16 Century Code is amended and reenacted as follows:

17 1. A taxpayer is entitled to a credit against state income tax liability under section  
18 57-38-30 or 57-38-30.3 or against financial institutions tax liability under chapter  
19 57-35.3 for an investment made in an angel fund that is a domestic organization  
20 created under the laws of this state. The amount of the credit to which a taxpayer is  
21 entitled is forty-five percent of the amount remitted by the taxpayer to an angel fund  
22 during the taxable year. The aggregate annual credit for which a taxpayer may obtain  
23 a tax credit is not more than forty-five thousand dollars. The aggregate lifetime credits  
24 under this section that may be obtained by ~~an individual, married couple, a corporation,~~

1            financial institution, or passthrough entity and its affiliates, ~~or other taxpayer~~ is one  
2            hundred fifty thousand dollars. The investment used to calculate the credit under this  
3            section may not be used to calculate any other income tax deduction or credit allowed  
4            by law.

5            **SECTION 3. EFFECTIVE DATE.** This Act is effective for taxable years beginning after  
6            December 31, 2012.