

Introduced by

Senators Oehlke, Krebsbach, Triplett

Representatives Hatlestad, J. Nelson, Owens

1 A BILL for an Act to create and enact a new section to chapter 57-38 and a new subdivision to  
2 subsection 7 of section 57-38-30.3 of the North Dakota Century Code, relating to an income tax  
3 credit for contributions to a homeless shelter; and to provide an effective date.

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

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

7 **Income tax credit for contributions to homeless shelters.**

- 8 1. A taxpayer is entitled to a credit as determined under this section against state income  
9 tax liability under section 57-38-30 or 57-38-30.3 for charitable contributions made by  
10 the taxpayer during the year to a homeless shelter located within this state. The  
11 amount of the credit to which a taxpayer is entitled is forty percent of the aggregate  
12 amount of charitable contributions made by the taxpayer during the year to homeless  
13 shelters.
- 14 2. For purposes of this section, the term "homeless shelter" means a building or structure  
15 in which a nonprofit organization, exempt from federal income tax under section 501(c)  
16 (3) of the United States Internal Revenue Code [26 U.S.C. 501(c)(3)], provides shelter,  
17 or food and shelter, for a limited period of time to individuals and families having  
18 neither a home nor the means to obtain a home or other temporary lodging.
- 19 3. North Dakota taxable income must be increased by the amount of the contribution  
20 upon which the credit under subsection 1 is computed but only to the extent the  
21 contribution reduces federal taxable income.
- 22 4. The contribution amount used to calculate the credit under this section may not be  
23 used to calculate any other state income tax deduction or credit allowed by law.

1        5. If the amount of the credit exceeds the taxpayer's liability for the taxable year, the  
2        excess may be carried forward to each of the ten succeeding taxable years.

3        6. A partnership, subchapter S corporation, limited partnership, limited liability company,  
4        or any other passthrough entity making a contribution under subsection 1 is  
5        considered to be the taxpayer for purposes of this section, and the amount of the  
6        credit allowed must be determined at the passthrough entity level. The amount of the  
7        total credit determined at the entity level must be passed through to the partners,  
8        shareholders, or members in proportion to their respective interests in the passthrough  
9        entity.

10        **SECTION 2.** A new subdivision to subsection 7 of section 57-38-30.3 of the North Dakota  
11 Century Code is created and enacted as follows:

12                Homeless shelter contribution tax credits under section 1 of this Act.

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