

HOUSE BILL NO. 1254

Introduced by

Representatives Dosch, Belter, Kasper, Klein, B. Koppelman, Larson, Meier, Owens, Porter,
Steiner, Streyle

Senator Wanzek

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 a parent's
3 choice individual income tax credit for qualified educational expenses; and to provide an
4 effective date.

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

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

8 **Parent's choice income tax credit for qualified educational expenses.**

- 9 1. A taxpayer is allowed a credit against the tax imposed under section 57-38-30.3 in the
10 amount of qualified educational expenses paid by the taxpayer for each qualifying
11 child during the taxable year.
- 12 2. The amount of the credit under this section is limited to two thousand five hundred
13 dollars per qualifying child per taxable year. In the case of a married individual filing a
14 separate return, the credit under this section is limited to one thousand two hundred
15 fifty dollars per qualifying child per taxable year.
- 16 3. For purposes of this section:
- 17 a. "Qualified educational expenses" means the amount expended for each
18 qualifying child for books and tuition relating to the child's education at a
19 nonpublic school.
- 20 b. "Qualifying child" means a child who was a nonpublic school student under the
21 age of eighteen at the end of the taxable year. A qualifying child must be related
22 to the taxpayer by blood or marriage.

- 1 4. The credit allowed under this section may not exceed a taxpayer's liability as
2 determined under this chapter for the taxable year.
- 3 5. The aggregate amount of credits allowed under this section may not exceed
4 ten million dollars in any calendar year. Credits subject to this limitation must be
5 determined based upon the date of the qualified expenditure.
- 6 6. To receive the tax credit provided under this section, a taxpayer shall claim the credit
7 in the form and manner prescribed by the tax commissioner.

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

10 Parent's choice income tax credit for qualified educational expenses under
11 section 1 of this Act.

12 **SECTION 3. EFFECTIVE DATE.** This Act is effective for taxable years beginning after
13 December 31, 2014.