## FIRST ENGROSSMENT

Sixty-fourth Legislative Assembly of North Dakota

## **ENGROSSED SENATE BILL NO. 2230**

Introduced by

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Senators Axness, Bekkedahl, Sinner

Representatives Beadle, Hanson, Oversen

- 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 renter's
- 3 income tax credit; 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:

## Renter's income tax credit - Property tax relief.

- 8 An individual who rents living quarters in this state which are that individual's primary residence is eligible for a credit against state income tax liability under section 57-38-30.3 for a portion of the individual's annual rent for that residence deemed by
- 10 11 this section to constitute the payment of property taxes or mobile home taxes.
- 12 2. For purposes of this section, fifteen percent of the annual rent, exclusive of any federal
- 13 rent subsidy and of charges for any utilities, services, furniture, furnishings, or
- 14 personal property appliances furnished by the landlord as part of the rental agreement,
- 15 whether or not expressly set out in the rental agreement, is deemed to be payment
- 16 made for property taxes or mobile home taxes and the applicant is entitled to a credit
- 17 for that amount, but not in excess of nine hundred dollars.
- 18 <u>3.</u> Individuals who reside together in a rental unit, as spouses or when one or more is a
- 19 dependent of another, are entitled to only one credit between or among them under
- 20 this section. Individuals who reside together in a rental unit, who are not spouses or
- 21 dependents, are each entitled to apply for a portion of a full credit based on the portion
- 22 of the rent paid by the applicant.
- 23 This section does not apply to rents or fees paid by, or on behalf of, an individual for 4.
- 24 any living quarters, including a nursing home licensed pursuant to section 23-16-01, if

1 those living quarters are exempt from property taxation and mobile home taxes and 2 the owner is not making a payment in lieu of property taxes. 3 <u>5.</u> If any applicant is found to have fraudulently claimed and received a credit under this 4 section, in addition to any other penalty provided by law, any credit to which that 5 applicant would be entitled for that taxable year and the ensuing two taxable years 6 under this section must be canceled. The tax commissioner shall seek return of any 7 credit allowed under this section to which an applicant is not entitled. 8 For purposes of a renter's credit under this section, "primary residence" means a 9 dwelling, including a mobile home, in this state rented and occupied by the applicant 10 as that applicant's primary residence. For purposes of a renter's credit, an individual 11 may have more than one primary residence during a taxable year but not more than 12 one at a time. 13 SECTION 2. A new subdivision to subsection 7 of section 57-38-30.3 of the North Dakota 14 Century Code is created and enacted as follows: 15 Renter's income tax credit under section 1 of this Act. 16 **SECTION 3. EFFECTIVE DATE.** This Act is effective for taxable years beginning after 17 December 31, 2014.