

**Sixty-first Legislative Assembly of North Dakota  
In Regular Session Commencing Tuesday, January 6, 2009**

SENATE BILL NO. 2405  
(Senator Anderson)  
(Representatives Wall, Williams)

AN ACT to amend and reenact subdivision i of subsection 1 of section 57-38-01.3 of the North Dakota Century Code, relating to income tax treatment of the domestic reduction activities deduction for marketing cooperatives; and to provide an effective date.

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

**SECTION 1. AMENDMENT.** Subdivision i of subsection 1 of section 57-38-01.3 of the North Dakota Century Code is amended and reenacted as follows:

- i. ~~Increased~~ Except for a cooperative described in this subsection, increased by the amount of the deduction allowable under section 199 of the Internal Revenue Code [26 U.S.C. 199], but only to the extent of the deduction taken to determine federal taxable income. For a cooperative that has elected to pass the deduction through to its patrons under section 199(d)(3), of the Internal Revenue Code [26 U.S.C. 199(d)(3)], the increase under this subsection does not include the amount passed through to its patrons.

**SECTION 2. EFFECTIVE DATE.** This Act is effective for taxable years ending after April 30, 2009.

\_\_\_\_\_  
President of the Senate

\_\_\_\_\_  
Speaker of the House

\_\_\_\_\_  
Secretary of the Senate

\_\_\_\_\_  
Chief Clerk of the House

This certifies that the within bill originated in the Senate of the Sixty-first Legislative Assembly of North Dakota and is known on the records of that body as Senate Bill No. 2405.

Senate Vote:    Yeas    47        Nays    0        Absent    0

House Vote:    Yeas    93        Nays    0        Absent    1

\_\_\_\_\_  
Secretary of the Senate

Received by the Governor at \_\_\_\_\_ M. on \_\_\_\_\_, 2009.

Approved at \_\_\_\_\_ M. on \_\_\_\_\_, 2009.

\_\_\_\_\_  
Governor

Filed in this office this \_\_\_\_\_ day of \_\_\_\_\_, 2009,  
at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

\_\_\_\_\_  
Secretary of State