

Sixty-fourth
Legislative Assembly
of North Dakota

HOUSE BILL NO. 1355

Introduced by

Representatives Dosch, Belter, B. Koppelman, Laning, Larson, Louser, Meier, Porter,
Silbernagel, Steiner

Senators Poolman, Wanzek

1 A BILL for an Act to create and enact section 57-38-01.36 of the North Dakota Century Code,
2 relating to a corporate income tax credit for charitable gifts to a scholarship endowment fund for
3 nonpublic school students; and to provide an effective date.

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

5 **SECTION 1.** Section 57-38.1-01.36 of the North Dakota Century Code is created and
6 enacted as follows:

7 **57-38-01.36. Corporate income tax credit for donation to parents choice tax credit**
8 **scholarship fund.**

9 1. A corporation making a charitable gift to a parents choice tax credit scholarship fund
10 that provides scholarships to nonpublic school students whose household income
11 does not exceed one hundred eighty-five percent of income standards to qualify for
12 free or reduced lunch established under 42 U.S.C. 1751 et. seq., is allowed a tax
13 credit against the tax imposed by section 57-38-30 in an amount equal to that
14 charitable gift or the aggregate amount of those charitable gifts made by the
15 corporation during a taxable year.

16 2. The scholarship endowment fund must be held and administered by a nonprofit
17 organization exempt from federal taxation under section 501(c)(3) of the Internal
18 Revenue Code [26 U.S.C. 501(c)(3)].

19 3. A tax credit under this section may not exceed fifty percent of the taxpayer's tax
20 liability under section 57-38-30 before reduction for charitable gifts made in a taxable
21 year.

22 4. The aggregate amount of tax credits allowed under this section may not exceed ten
23 million dollars in a taxable year.

- 1 **SECTION 2. EFFECTIVE DATE.** This Act is effective for taxable years beginning after
- 2 December 31, 2014.