

**HOUSE BILL NO. 1176**

Introduced by

Representatives S. Olson, Fisher, Frelich, Koppelman, O'Brien, Satrom

1 A BILL for an Act to create and enact two new sections to chapter 57-38 and two new  
2 subdivisions to subsection 7 of section 57-38-30.3 of the North Dakota Century Code, relating  
3 to an adoption tax credit and a tax credit for contributions to a maternity home, child placing  
4 agency, or pregnancy help center; and to provide an 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 **Adoption tax credit.**

- 9 1. A taxpayer is entitled to a credit against the income tax liability under section  
10 57-38-30.3 for adoption expenses.  
11 2. The credit is equal to ten percent of the federal adoption credit allowed under  
12 section 23 of the Internal Revenue Code [26 U.S.C. 23] claimed by the taxpayer in the  
13 current taxable year.  
14 3. The credit allowed under this section may not exceed fifty percent of the taxpayer's  
15 liability for tax under this chapter. Any credit amount exceeding fifty percent of the  
16 taxpayer's liability for the taxable year may be carried forward to each of the three  
17 succeeding taxable years, subject to the limitation in this subsection.

18 **SECTION 2.** A new section to chapter 57-38 of the North Dakota Century Code is created  
19 and enacted as follows:

20 **Tax credit for contributions to a maternity home, child placing agency, or pregnancy**  
21 **help center.**

- 22 1. A taxpayer is entitled to a credit against the income tax liability under section 57-38-30  
23 or 57-38-30.3 for contributions made to a maternity home, child placing agency, or  
24 pregnancy help center.

- 1       2. Subject to the limitations in subsection 3, the credit is equal to the aggregate amount  
2       of charitable contributions made by the taxpayer during the taxable year to a maternity  
3       home, child placing agency, or pregnancy help center.
- 4       3. The credit allowed under this section may not exceed fifty percent of the taxpayer's  
5       liability for tax under this chapter or two thousand five hundred dollars, whichever is  
6       less. Any credit amount exceeding the limitation in this subsection for the taxable year  
7       may not be claimed as a carryback or carryforward.
- 8       4. A passthrough entity entitled to the credit under this section must be considered to be  
9       the taxpayer for purposes of this section and the amount of the credit allowed must be  
10      determined at the passthrough entity level. The amount of the total credit determined  
11      at the passthrough entity level must be allowed to the partners, shareholders, or  
12      members in proportion to their respective interests in the passthrough entity.
- 13      5. For purposes of this subsection:
- 14      a. "Child placing agency" means a child placing agency under chapter 50-12.  
15      b. "Maternity home" means a maternity home under chapter 50-19.  
16      c. "Pregnancy help center" means a nongovernmental entity eligible for  
17      disbursements pursuant to section 50-06-26.

18      **SECTION 3.** Two new subdivisions to subsection 7 of section 57-38-30.3 of the North  
19      Dakota Century Code are created and enacted as follows:

20              Adoption tax credit under section 1 of this Act.

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22              Tax credit for contributions to a maternity home, child placing agency, or  
23              pregnancy help center under section 2 of this Act.

24      **SECTION 4. EFFECTIVE DATE.** This Act is effective for taxable years beginning after  
25      December 31, 2022.