

Introduced by

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:

7 **Renter's income tax credit - Property tax relief.**

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

- 1 4. This section does not apply to rents or fees paid by, or on behalf of, an individual for
2 any living quarters, including a nursing home licensed pursuant to section 23-16-01, if
3 those living quarters are exempt from property taxation and mobile home taxes and
4 the owner is not making a payment in lieu of property taxes.
- 5 5. If any applicant is found to have fraudulently claimed and received a credit under this
6 section, in addition to any other penalty provided by law, any credit to which that
7 applicant would be entitled for that taxable year and the ensuing two taxable years
8 under this section must be canceled. The tax commissioner shall seek return of any
9 credit allowed under this section to which an applicant is not entitled.
- 10 6. For purposes of a renter's credit under this section, "primary residence" means a
11 dwelling, including a mobile home, in this state rented and occupied by the applicant
12 as that applicant's primary residence. For purposes of a renter's credit, an individual
13 may have more than one primary residence during a taxable year but not more than
14 one at a time.

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

17 Renter's income tax credit under section 1 of this Act.

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