

Introduced by

Senators Sinner, Laffen, Warner

Representatives Haak, Hawken, Hogan

1 A BILL for an Act to create and enact a new section to chapter 15-10, a new section to chapter
2 57-38, and a new subdivision to subsection 7 of section 57-38-30.3 of the North Dakota Century
3 Code, relating to tuition reduction and an income tax credit for child care providers; and to
4 provide an effective date.

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

6 **SECTION 1.** A new section to chapter 15-10 of the North Dakota Century Code is created
7 and enacted as follows:

8 **Tuition reduction - Child care providers.**

- 9 1. a. Any resident who is employed as a child care provider is entitled to receive a
10 reduction in the amount of tuition and fees payable to an institution of higher
11 education under the control of the state board of higher education.
12 b. A reduction under this section may be applied to tuition and fees incurred by the
13 child care provider or by a spouse, child, sibling, or grandchild of the child care
14 provider.
15 c. The reduction must equal three dollars for every hour that the individual provided
16 child care in this state.
17 d. An individual who claims a tuition reduction under this section for any part of a
18 taxable year is not eligible for the credit under section 2 of this Act for that taxable
19 year.
20 2. The state board of higher education shall calculate the amount of the reduction
21 provided for under this section twice yearly, based on the submission of wage
22 statements by the child care provider and shall notify the designated institution of the
23 required reduction in tuition or fees otherwise payable. For purposes of this
24 subsection, a designated institution is the one in which the child care provider is

1 enrolled or the one in which the spouse, child, sibling, or grandchild of the child care
2 provider is enrolled.

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

5 **Tax credit - Child care provider.**

6 1. An individual employed as a child care provider is entitled to a credit against the tax
7 imposed under section 57-38-30.3, in an amount equal to one-third of all wages
8 earned by the individual while employed as a child care provider.

9 2. The tax credit allowed under this section may not exceed the taxpayer's income tax
10 liability. The unused portion of any credit under this section may be carried forward for
11 up to three taxable years.

12 **SECTION 3.** A new subdivision to subsection 7 of section 57-38-30.3 of the North Dakota
13 Century Code is created and enacted as follows:

14 Child care provider tax credit under section 2 of this Act.

15 **SECTION 4. EFFECTIVE DATE.** This Act is effective for taxable years beginning after
16 December 31, 2014.