

Sixty-fifth  
Legislative Assembly  
of North Dakota

ENGROSSED SENATE BILL NO. 2283

Introduced by

Senators Cook, Laffen, Dotzenrod

Representatives Grueneich, Headland, Nathe

1 | A BILL for an Act to create and enact a new ~~subsection to~~ section ~~57-01-02~~ to chapter 57-01 of  
2 | the North Dakota Century Code, relating to denial of tax incentives to taxpayers delinquent on  
3 | the payment of state or local taxes; and to provide an effective date.

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

5 | ~~**SECTION 1.** A new subsection to section 57-01-02 of the North Dakota Century Code is~~  
6 | ~~created and enacted as follows:~~

7 | ~~May require a taxpayer to satisfy all state or local tax obligations and tax liens of~~  
8 | ~~record for delinquent property, income, income withholding, sales, or use taxes owed~~  
9 | ~~to the state or a political subdivision before granting the taxpayer a tax incentive.~~

10 | **SECTION 1.** A new section to chapter 57-01 of the North Dakota Century Code is created  
11 | and enacted as follows:

12 | **Tax incentives - State and local tax clearance.**

13 | 1. A person may not claim a state or local tax incentive identified in section 54-35-26,  
14 | unless the person has satisfied all state and local tax obligations and tax liens of  
15 | record for taxes owed to the state or a political subdivision.

16 | 2. A person claiming a state tax incentive shall attach to the return or other filing  
17 | schedule on which the tax incentive is claimed, a property tax clearance record from  
18 | each county in which the person has a fifty percent or more ownership interest in the  
19 | property.

20 | 3. A city or county may not grant a local tax incentive unless the person requesting the  
21 | tax incentive is not delinquent on any property taxes and the person provides a state  
22 | tax clearance record. A property tax clearance is required for property in which the  
23 | person has a fifty percent or more ownership interest.

- 1     4. If a tax incentive applicant or claimant is a corporation or passthrough entity, any of the  
2     corporation's or passthrough entity's officers, governors, managing members, or  
3     partners charged with the responsibility for filing and paying property, income, income  
4     withholding, sales, or use tax are subject to the provisions of subsections 2 and 3.  
5     5. If a person fails to comply with this section, the tax commissioner shall disallow that  
6     person's state tax exemption or credit claimed under any law authorizing the tax  
7     commissioner to audit and assess the additional tax due.

8     **SECTION 2. EFFECTIVE DATE.** This Act is effective for tax incentives claimed or granted  
9 after July 31, 2017.