

**FIRST ENGROSSMENT
with House Amendments
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 section to chapter 57-01 of the North Dakota
2 Century Code, relating to denial of tax incentives to taxpayers delinquent on the payment of
3 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 section to chapter 57-01 of the North Dakota Century Code is created
6 and enacted as follows:

7 **Tax incentives - State and local tax clearance.**

- 8 1. A person may not claim a state or local tax incentive identified in section 54-35-26,
9 unless the person has satisfied all state and local tax obligations and tax liens of
10 record for taxes owed to the state or a political subdivision.
- 11 2. A person claiming a state tax incentive shall attach to the return or other filing
12 schedule on which the tax incentive is claimed, a property tax clearance record from
13 each county in which the person has a fifty percent or more ownership interest in the
14 property.
- 15 3. A city or county may not grant a local tax incentive unless the person requesting the
16 tax incentive is not delinquent on any property taxes and the person provides a state
17 tax clearance record. A property tax clearance is required for property in which the
18 person has a fifty percent or more ownership interest.
- 19 4. If a tax incentive applicant or claimant is a corporation or passthrough entity, any of the
20 corporation's or passthrough entity's officers, governors, managing members, or
21 partners charged with the responsibility for filing and paying property, income, income
22 withholding, sales, or use tax are subject to the provisions of subsections 2 and 3.

1 5. If a person fails to comply with this section, the tax commissioner shall disallow that
2 person's state tax exemption or credit claimed under any law authorizing the tax
3 commissioner to audit and assess the additional tax due.

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