

Sixty-fourth
Legislative Assembly
of North Dakota

ENGROSSED HOUSE BILL NO. 1355

Introduced by

Representatives Dosch, Belter, B. Koppelman, Laning, Larson, Louser, Meier, Porter,
Silbernagel, Steiner

Senators Poolman, Wanzek

1 A BILL for an Act to create and enact section 57-38-01.36 of the North Dakota Century Code,
2 relating to a corporate income tax credit for charitable gifts to a scholarship endowment fund for
3 nonpublic school students; and to provide an effective date.

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

5 **SECTION 1.** Section 57-38-01.36 of the North Dakota Century Code is created and enacted
6 as follows:

7 **57-38-01.36. Corporate income tax credit for donation to parents choice tax credit**
8 **scholarship endowment fund.**

- 9 1. A corporation making a charitable gift to a parents choice tax credit scholarship
10 endowment fund that provides scholarships to nonpublic school students whose
11 household income does not exceed one hundred eighty-five percent of income
12 standards to qualify for free or reduced lunch established under 42 U.S.C. 1751 et.
13 seq., is allowed a tax credit against the tax imposed by section 57-38-30 in an amount
14 equal to that charitable gift or the aggregate amount of those charitable gifts made by
15 the corporation during a taxable year.
- 16 2. The scholarship endowment fund must be held and administered by a nonprofit
17 organization exempt from federal taxation under section 501(c)(3) of the Internal
18 Revenue Code [26 U.S.C. 501(c)(3)].
- 19 3. A tax credit under this section may not exceed fifty percent of the taxpayer's tax
20 liability under section 57-38-30 before reduction for charitable gifts made in a taxable
21 year.
- 22 4. The aggregate amount of tax credits allowed under this section may not exceed ten
23 million dollars in a calendar year. If charitable gifts reported to the commissioner under

- 1 this section exceed the limits on tax credits for investments imposed by this section,
2 the credit must be allowed to taxpayers in the chronological order of their charitable
3 gifts made as determined from the forms filed under this section.
- 4 5. A charitable gift used as the basis for a credit claimed under this section may not be
5 used as the basis for the claim of a credit under any other provision of this chapter.
- 6 6. Within thirty days after the date on which a charitable gift is made under this section,
7 the scholarship endowment fund shall file with the tax commissioner completed forms,
8 prescribed by the tax commissioner, which show the following:
- 9 a. The name, address, and federal identification number of the corporation that
10 made the charitable gift;
- 11 b. The name and address of the parents choice tax credit scholarship fund that
12 received the charitable gift;
- 13 c. The dollar amount of the charitable gift; and
- 14 d. The date of the charitable gift.

15 **SECTION 2. EFFECTIVE DATE.** This Act is effective for taxable years beginning after
16 December 31, 2014.