

HOUSE BILL NO. 1365

Introduced by

Representatives P. Anderson, Adams, Boschee, Hanson, Ista, Mock, Schneider

Senator Piepkorn

1 A BILL for an Act to create and enact a new section to chapter 57-38, a new subdivision to
2 subsection 2 of section 57-38-30.3, and a new subdivision to subsection 7 of section 57-38-30.3
3 of the North Dakota Century Code, relating to an income tax credit for higher education student
4 loan interest payments; and to provide an effective date.

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

6 **SECTION 1.** A new section to chapter 57-38 of the North Dakota Century Code is created
7 and enacted as follows:

8 **Higher education student loan interest payment credit.**

- 9 1. A taxpayer is entitled to a credit against state income tax liability under section
10 57-38-30.3 equal to the amount of student loan interest paid by the taxpayer to the
11 Bank of North Dakota during the taxable year. The credit allowed under this section
12 may not exceed a taxpayer's liability under this chapter. Any credit amount exceeding
13 a taxpayer's liability may be carried forward for up to five taxable years.
- 14 2. The amount of student loan interest paid on which an allowable credit is computed
15 under this section must be added to federal taxable income in computing North Dakota
16 taxable income in any taxable year in which the student loan interest payment reduces
17 federal taxable income, but only to the extent the student loan interest payment
18 reduced federal taxable income.

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

21 Increased by the amount of the student loan interest payment upon which the
22 credit under section 1 of this Act is computed, but only to the extent the student
23 loan interest payment reduced federal taxable income.

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

3 Higher education student loan interest payment credit under section 1 of this Act.

4 **SECTION 4. EFFECTIVE DATE.** This Act is effective for taxable years beginning after
5 December 31, 2020.