

Introduced by

Senators Bakke, Kreun, Oban

Representatives Hager, J. Nelson

1 A BILL for an Act to create and enact a new section to chapter 57-38 and a new subdivision to  
2 subsection 2 of section 57-38-30.3 of the North Dakota Century Code, relating to a corporate  
3 income tax credit and an employer deduction for reimbursement of employee child care  
4 expenditures; 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 **Corporate income tax credit for reimbursement of employee child care expenditures.**

- 9 1. A corporation reimbursing an employee for qualified child care expenditures is allowed  
10 a credit against the tax imposed by section 57-38-30 in an amount equal to the  
11 amount reimbursed by the corporation to its employees during the taxable year.
- 12 2. For purposes of this section, "qualified child care expenditures" means the amount  
13 paid by the legal guardian of a minor during the taxable year for child care services  
14 provided by a home, group, or center licensed by the department of human services.
- 15 3. The taxpayer shall claim the total credit amount for the taxable year in which the  
16 qualified child care expenditures were reimbursed.
- 17 4. If the amount of the credit determined under this section exceeds the taxpayer's  
18 liability for tax under this chapter, the excess may be carried forward to future taxable  
19 years.
- 20 5. Reimbursed qualified child care expenditures under this section may not be used in  
21 the calculation of any other income tax deduction or credit allowed under state law.
- 22 6. To receive the tax credit provided under this section, a taxpayer shall claim the credit  
23 in the form and manner prescribed by the tax commissioner.

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

3               Reduced by twice the amount paid by a taxpayer that is an employer in this state  
4               to reimburse employees of the taxpayer for qualified child care expenditures. For  
5               purposes of this subdivision, "qualified child care expenditures" means the  
6               amount paid by the legal guardian of a minor during the taxable year for child  
7               care services provided by a home, group, or center licensed by the department of  
8               human services.

9       **SECTION 3. EFFECTIVE DATE.** This Act is effective for taxable years beginning after  
10 December 31, 2018.