

**Sixty-ninth Legislative Assembly of North Dakota
In Regular Session Commencing Tuesday, January 7, 2025**

SENATE BILL NO. 2282
(Senators Hogan, Weber, Wobbema)
(Representatives Mitskog, O'Brien)

AN ACT to create and enact a new section to chapter 57-38 and new subdivision to subsection 7 of section 57-38-30.3 of the North Dakota Century Code, relating to an income tax credit for child care contributions provided by qualified employers; and to provide an effective date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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

Child care contribution credit.

1. A taxpayer that is a qualified employer is entitled to a credit against the income tax liability under section 57-38-30 or 57-38-30.3 as provided in this section. The total credit available with respect to each qualified employer is equal to fifty percent of the taxpayer's aggregate child care contributions paid during the taxable year. The credit must be claimed for the taxable year in which the child care contributions are made.
2. The credit allowed under this section may not exceed the liability for tax under this chapter. Any credit amount exceeding a taxpayer's liability for the taxable year may not be claimed as a carryback or carryforward.
3. A passthrough entity entitled to the credit under this section must be considered to be the taxpayer for purposes of this section and the amount of the credit allowed must be determined at the passthrough entity level. The amount of the total credit determined at the passthrough entity level must be allowed to the partners, shareholders, or members in proportion to their respective interests in the passthrough entity.
4. To receive the tax credit provided under this section, a taxpayer shall claim the credit in the form and manner prescribed by the tax commissioner. The tax commissioner shall prescribe, design, and make available all forms necessary to effectuate this section.
5. For purposes of this section:
 - a. "Aggregate child care contributions" means the total amount of child care contributions made by a qualified employer to all qualified employees during the taxable year, limited to the first one thousand dollars in child care contributions per qualified employee.
 - b. "Child care costs" means costs incurred by an employee for early childhood services rendered by a child care provider, which are incurred to enable the employee to be gainfully employed by an employer.
 - c. "Child care contribution" means a payment made to a child care provider by a qualified employer to subsidize a qualified employee's child care costs and a payment made to a qualified employee's child care costs.
 - d. "Child care provider" means an early childhood services provider licensed under chapter 50-11.1 or a substantially similar provider that is licensed by another state and provides early childhood services within ten miles of this state.
 - e. "Early childhood services" has the same meaning as in section 50-11.1-02.

- f. "Qualified employee" means an individual employed by the qualified employer claiming the credit under this section.
- g. "Qualified employer" means an employer that, in the taxable year:
 - (1) Made a child care contribution; and
 - (2) Provided an equal opportunity to all employees that have child care costs to receive an equal child care contribution from the employer during the taxable year.

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

Child care contribution credit under section 1 of this Act .

SECTION 3. EFFECTIVE DATE. This Act is effective for taxable years beginning after December 31, 2024.


President of the Senate


Speaker of the House

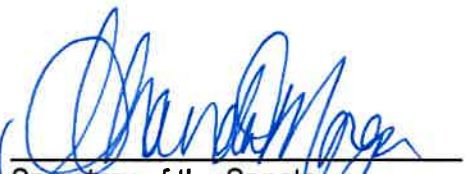

Secretary of the Senate


Chief Clerk of the House

This certifies that the within bill originated in the Senate of the Sixty-ninth Legislative Assembly of North Dakota and is known on the records of that body as Senate Bill No. 2282.

Senate Vote: Yeas 47 Nays 0 Absent 0

House Vote: Yeas 80 Nays 13 Absent 1


Secretary of the Senate

Received by the Governor at 9:41 A M. on April 29th, 2025.

Approved at 4:11 P M. on April 30th, 2025.


Governor

Filed in this office this 1st day of May, 2025,
at 6:53 o'clock P M.


Secretary of State