

2025

North Dakota
CORPORATE
INCOME
TAX

CREDIT FEATURES AT A GLANCE



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ND Tax
NORTH DAKOTA

Name of Credit	Applies to Tax Years...	Rate / Amount of Credit	Credit Limit Per Taxpayer		Other Limitations / Provisions	Unused Credit Options
			Per Tax Year	Lifetime		
Agricultural commodity processing facility investment credit N.D.C.C. Ch. 57-38.6	2005 and after (see Notes)	30% of eligible investment	\$50,000	\$250,000	Program limit: ND Commerce Department may certify up to 10 qualified businesses (facilities) each calendar year	10-year carryforward
Apprentice tax credit N.D.C.C. § 57-38-01.40	2023 and after	10% of salary or stipend		\$3,000	Limits the earning to only five apprentices at same time.	
Automation manufacturing machinery and equipment credit N.D.C.C. § 57-38-01.36	2019-2022 only					5-year carryforward
Automation manufacturing and animal agricultural machinery and equipment N.D.C.C. § 57-38-01.41	2023 and after	15% of purchase price			<ul style="list-style-type: none"> • Must improve job quality or increase productivity by statutory percentage. • Credit may be used to reduce the tax of an affiliate in a ND consolidated return. • Prorate if over limits • Program limit: \$3 million of credits per calendar year. \$500,000 reserved for first-time claimants in two categories 	5-year carryforward
Biodiesel fuel blending credit N.D.C.C § 57-38-01.22	2005 and after	\$0.05 per gallon blended				5-year carryforward
Biodiesel fuel production facility credit N.D.C.C. § 57-38-30.6	2003 and after	<ul style="list-style-type: none"> • 10% of eligible costs • Allowed in each of first five tax years upon production start 		\$250,000		5-year carryforward
Biodiesel fuel sales equipment costs credit N.D.C.C. § 57-38-01.23	2005 and after	<ul style="list-style-type: none"> • 10% of eligible costs • Allowed in each of first five tax years upon sales start 		\$50,000		5-year carryforward
Canola or soybean crushing facility credit N.D.C.C. § 57-38-30.6	2009 and after	<ul style="list-style-type: none"> • 10% of eligible costs • Allowed in each of first five tax years upon production start 		\$250,000		5-year carryforward

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Credit for wages paid to mobilized employee N.D.C.C. § 57-38-01.31	2009 and after	25% of the lesser of: <ul style="list-style-type: none"> Actual civilian compensation paid in tax year while mobilized, or Civilian compensation employee would have received if not mobilized in excess of military compensation paid in tax year while mobilized 	\$1,000 per eligible employee			5-year carryforward
Developmentally disabled or severely mentally ill person employment credit N.D.C.C. § 57-38-01.16	2023 and after	25% of first \$6,000 of wages paid annually to an eligible employee	50% of tax		Employee must meet eligibility criteria, as certified by ND Vocational Rehabilitation Division.	
Employer child care contribution credit N.D.C.C. § 57-38-01.42	2025 and after	50% of first \$1,000 contribution				
Endowment fund contribution credit N.D.C.C. § 57-38-01.21	2007 and after	40% of contributions	\$10,000		ND taxable income must be increased to extent contribution reduced federal taxable income.	3-year carryforward
Energy device credit-biomass, geothermal, solar, or wind device N.D.C.C. § 57-38-01.8	2014 and prior					All devices - if installed in tax years 2005-08 (before 10/1/2008): 5-year carryover. Biomass, geothermal, and solar devices - if installed after 9/30/2008 and before 1/1/2015: 10-year carryover Wind device - if installed after 9/30/2008 and before 1/1/2012: 30-year carryover Wind device - if installed after 12/31/2011 and before 1/1/2015 (or 1/1/2017, if construction began before 1/1/2015): 10-year carryover

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Housing incentive fund credit N.D.C.C. § 57-38-01.32	2011-2016					10-year carryforward
Internship employment credit N.D.C.C. § 57-38-01.24	2007 and after	10% of wages		\$3,000	Limited to five interns per year.	
Maternity home, child placing agency, or pregnancy help center tax credit N.D.C.C. § 57-38-01.31	2023 and after	100% of contributions	Lesser of \$2,500 or 50% of tax			
Nonprofit private primary school contribution credit (Grades K - 8) N.D.C.C. § 57-38-01.7	2021 and after	50% of contributions	Lesser of \$2,500 or 50% of tax			
Nonprofit private high school contribution credit (Grades 9 - 12) N.D.C.C. § 57-38-01.7	2021 and after	50% of contributions	Lesser of \$2,500 or 50% of tax			
Nonprofit private college contribution credit N.D.C.C. § 57-38-01.7	2021 and after	50% of contributions	Lesser of \$2,500 or 50% of tax			
Renaissance zone: Historic property preservation or renovation credit N.D.C.C. § 40-63-06	1999 and after	50% of eligible costs			\$250,000 of credits per project	5-year carryforward
Renaissance zone: Nonparticipating property owner credit N.D.C.C. § 40-63-04	1999 and after	100% of approved costs				5-year carryforward
Renaissance zone: Renaissance fund organization investment credit N.D.C.C. § 40-63-07	1999 and after	50% of cash investment			Program limit (all taxpayers): \$10.5 million of credits for all years	5-year carryforward

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Research & experimental expenditure credit N.D.C.C. § 57-38-30.5 • Regular method	1987 and after	For 2020 - expenses in excess of base amount: • 25% of first \$100,000 of excess, plus • 8% of excess over \$100,000. <i>Note: Different rates applied in prior years, depending on when research in ND first began.</i>	\$2 million, if ND research first began prior to 2007		<ul style="list-style-type: none"> • Taxpayer may choose on a year-to-year basis to use either the regular method or the alternative simplified method, which is then binding for that year. • If certified by ND Commerce Dept. as qualified research and development company, up to \$100,000 of credit may be transferred to another taxpayer. • Credit may be used to reduce the tax of an affiliate in a ND consolidated return. 	<ul style="list-style-type: none"> • 3-year carryback required • 15-year carryforward (after first being carried back) • If eligible, up to \$100,000 may be transferred to another taxpayer.
<ul style="list-style-type: none"> • Alternative simplified method 	2019 and after	Alternative excess expenses: • 17.5% of first \$100,000 of excess, plus • 5.6% of excess over \$100,000. Rates are 7.5% and 2.4%, respectively, if no qualified expenses in any of the three preceding years.				
Rural leadership ND program contributions credit N.D.C.C. § 57-38-30.5	2013 and after	50% of contributions				
Seed capital business investment credit N.D.C.C. Ch. 57-38.5	2005 and after (See Notes)	45% of cash investment	\$112,500		<ul style="list-style-type: none"> • Program limit per business: Credit limited to first \$500,000 of investments received in all years • Program limit (all investors): \$3.5 million of credits per year 	4-year carryforward
Workforce recruitment credit N.D.C.C. § 57-38-01.25	2007 and after	5% of wages paid in first 12 months of employment			Allowed in year following the year in which the 12th of the month of employment falls.	4-year carryforward

Notes:

- If more than one credit applies in a given year, apply the credits in the order that is most advantageous. Generally, this means applying the credits in the following order: (1) Credits with no carryback or carryforward feature. (2) Credits with a carryback feature. (3) Credits with a carryforward feature. N.D. Admin. Code § 81-03-01.1-08
- If a credit is limited based on a percentage of the tax, apply the percentage to the tax before any credits are subtracted.
- The agricultural commodity processing facility investment credit was created in 2001, but it was not available to a C corporation until 2005.
- The seed capital business investment credit was created in 1993, but it was not available to a C corporation until 2005.
- Information reflects North Dakota law as it exists in 2025.