

**RENAISSANCE FUND ORGANIZATION
INVESTMENT REPORTING FORM**
NORTH DAKOTA OFFICE OF STATE TAX COMMISSIONER
SFN 28239 (12-2013)



Part 1 - Taxpayer information

Type of taxpayer (Check one) <input type="checkbox"/> Individual <input type="checkbox"/> Partnership <input type="checkbox"/> "C" corporation <input type="checkbox"/> "S" corporation <input type="checkbox"/> Estate or trust			
Name of taxpayer		Social Security Number or Federal Employer Identification Number	
Spouse's name, if joint investment		Social Security Number	
Address of taxpayer	City	State	ZIP Code

Part 2 - Investment

Date received	Time received <input type="checkbox"/> AM <input type="checkbox"/> PM	Amount received \$
---------------	--	-----------------------

Part 3 - Disqualifying redemption

Complete this part only if an investor makes a disqualifying redemption - see "Disqualifying redemption" in the instructions for what constitutes a disqualifying redemption.

Original investment information	▶	Date of original investment	Amount of original investment \$
		Redemption information	▶

Part 4 - Renaissance fund organization (RFO)

Name of RFO		Federal employer identification number	
Address of RFO	City	State	ZIP Code
Printed name of authorized representative	Title	Signature	Date

General instructions

This form must be used by a renaissance fund organization (RFO) to report the receipt of a qualified investment from an eligible taxpayer for purposes of the renaissance fund organization investment tax credit under N.D.C.C. § 40-63-07.

Note: *These instructions apply to investments made on or after January 1, 2013.*

For purposes of investments reported on this form, the following definitions apply:

Qualified investment - A "qualified investment" means one that meets all of the following conditions:

- It is made by an eligible taxpayer —see "Eligible taxpayer" below.
- It is in the form of a cash payment.

- It is made to an established renaissance fund organization under a development plan approved by the North Dakota Commerce Department's Division of Community Services.
- The taxpayer who makes the original investment may not redeem the investment within ten years of the date on which the investment was made - see "Disqualifying redemption" later in these instructions.

Eligible taxpayer - An "eligible taxpayer" means an individual, estate, trust, partnership (all types), corporation ("C" or "S"), or limited liability company. An eligible taxpayer does not include any of the following:

- Government entity.
- Tax-exempt organization.

- Real estate investment trust.

Note: *Any person may invest in a renaissance fund organization, but only eligible taxpayers are allowed the tax credit.*

If an eligible taxpayer is a passthrough entity—partnership, S corporation, limited liability company treated like a partnership or "S" corporation, or any other type of passthrough entity—the tax credit is calculated at the passthrough entity level and passed through to its owners.

Date of investment - The "date of investment" means the date on which a qualified investment is received and is available for use by the renaissance fund organization. The taxpayer's tax year in which the date of investment falls is the first tax year in which the tax credit is to be used.

Disqualifying redemption.

The tax credit is disallowed and must be repaid to the State by a taxpayer if the taxpayer redeems the investment within 10 years of making the investment. For this purpose, “redeems” means that the taxpayer initiates a transaction with the RFO in which the taxpayer receives cash or property in return for the stock or other investment interest. Only the taxpayer who made the original investment is subject to this redemption rule. A disqualifying redemption does not occur if a taxpayer transfers part or all of an investment to a third party, nor does it occur if the RFO initiates the redemption.

Program tax credit limit. The total tax credits allowed for all qualified investments made in renaissance fund organizations in all years is limited to \$8.5 million. This amount is allocated to three categories of cities based on their population, as determined by the North Dakota Commerce Department’s Division of Community Services. Credits in excess of the city or statewide maximum amount are not allowed. If a city or statewide ceiling is reached, credits will be allowed to taxpayers in the chronological order of their investments, based on the date and time reported on this form. ***For information on the amount of credits still available under the city or statewide ceilings, contact the Office of State Tax Commissioner.***

Privacy Act Notification

In compliance with the Privacy Act of 1974, disclosure of a social security number or federal employer identification number (FEIN) on this form is required under N.D.C.C. §§ 57-01-15 and 40-63-09, and will be used for tax reporting, identification, and administration of North Dakota tax laws. Disclosure is mandatory. Failure to provide the social security number or FEIN may delay or prevent the processing of this form.

Specific instructions for the RFO

An RFO must complete this form within thirty (30) days of the date on which:

- An investment is received. If this applies, complete Parts 1, 2, and 4; OR
- A disqualifying redemption occurs—see “Disqualifying redemption” under “General instructions.” If this applies, complete Parts 1, 3, and 4.

Complete and file this form for each qualified investment received. Only complete and file for qualified investments. Complete all applicable items on the form. Unless the investment is made jointly by married individuals, provide the investment information for only one eligible taxpayer on each form.

For type of investor, if the eligible taxpayer is a limited liability company (LLC), check the entity type that the LLC is filing as for federal income tax purposes.

Filing instructions. Give a copy of the completed form to the investor. The RFO must keep a copy for its records. File a copy of this form with the Office of State Tax Commissioner at the following address:

Office of State Tax Commissioner
600 E. Boulevard Ave., Dept. 127
Bismarck, ND 58505-0599

Specific instructions for the investor

This form is evidence of your investment in a renaissance fund organization for purposes of the renaissance fund organization investment tax credit. Keep it for your records.

Eligibility for credit. To maintain the qualified status of your investment, you may not redeem any part of it within 10 years from the date of the investment—see “Disqualifying redemption” under “General instructions.”

Amount of tax credit. The allowable tax credit is 50 percent of the total qualified investments you make during the tax year. The tax credit must be claimed first in the tax year in which the date of investment falls.

Unused tax credit carryover. If you are unable to use all of your allowable tax credit in a tax year because it exceeds your tax liability, you may carry over and use the unused tax credit on subsequent tax years’ returns for up to 5 tax years.

Passthrough entity. If you are a passthrough entity—partnership, S corporation, or limited liability company treated like a partnership or S corporation—pass the credit through to your owners based on their respective interests in the entity. See the instructions to Form 58 (partnership) or Form 60 (S corporation) for more information. The unused tax credit carryover provision does not apply at the passthrough entity level, but applies to each of its owners (that is not another passthrough entity).

Repayment of disallowed credit. A credit disallowed as the result of a disqualifying redemption must be repaid to the state. The repayment must be made with the North Dakota tax return filed for the tax year in which the redemption occurred. No penalty or interest applies to a timely repayment of the disallowed credit. Do not file an amended return or use Schedule RZ to report the redemption. ***If you make a disqualifying redemption, contact the Office of State Tax Commissioner for instructions on how to report the redemption on the North Dakota tax return.***

Contact Information

If you have questions, contact us at:

- 701.328.1247
TDD/TTY—call 1.800.366.6888, and ask for 701.328.1247.
- E-mail: individualtax@nd.gov