STATUTORY ADJUSTMENTS

OFFICE OF STATE TAX COMMISSIONER
SFN 28710 (12-2025)

Schedule ND-1SA
2025
Attach to Form ND-1

Taxpayer Name as Shown on Return	Social Security Number

Important! All taxpayers must read this section. If you are claiming a deduction on line 4 or 5 of this schedule, you must complete this section. See "Property tax clearance" in instructions for details.

► Do you (or does your spouse, if filing jointly) hold a 50% or more ownership interest in real property located in North Dakota? ○ Yes ○ No

If yes, enter name of each North Dakota county in which you or your spouse holds a 50% or more interest in real property:

____

Attach to Form ND-1 the completed Property Tax Clearance Record obtained from each county identified above.

Additions

1. Lump sum distribution from Federal Form 4972 **(NA) 1** ________

2. Loss from S corporation taxed as C corporation **(NB) 2** ________

3. Total additions. Add lines 1 and 2. Enter result on Form ND-1, line 3 **3** ________

Subtractions

4. Renaissance zone income exemption *(Attach Schedule RZ)* **(S7) 4** ________

5. New or expanding business income exemption **(NH) 5** ________

6. Human organ donor expense deduction **(NL) 6** ________

7. Employee workforce recruitment exclu **(CA) 7** ________

8. a. Stillborn child deduction **(CB) 8a** ________

b. 11-digit certificate number from Certification of Fetal Death **(CC) 8b** ________

c. Date of death from Certification of Fetal Death **(CD) 8c** ________

9. Employer reimbursement of college expenses which is included in taxable wages on Form W-2 *(Attach statement or letter from employer - see instructions)* **(CE) 9** ________

10. Income from S corporation taxed as C corporation **(S6) 10** ________

11. Total subtractions. Add lines 4 through 8a, 9, and 10. Enter result on Form ND-1, line 16 **11** ________

Instructions

If you have any of the adjustments shown on this schedule, you must complete and attach it to Form ND-1.

Disclosure notification

Upon written request from the chairman of a North Dakota legislative standing committee or Legislative Management, the law requires the Office of State Tax Commissioner to disclose the amount of any deduction or credit claimed on a tax return. Any other confidential information, such as a taxpayer's name or social security number, may not be disclosed.

Property tax clearance

North Dakota Century Code (N.D.C.C.) § 57-01-15.1 provides that, before certain state tax incentives may be claimed, a taxpayer must obtain a property tax clearance record from each North Dakota county in which the taxpayer holds a 50% or more ownership interest in real property. The property tax clearance record(s) must be attached to the North Dakota tax return on which the incentive is claimed. The deductions on lines 4 and 5 of this schedule are subject to this requirement.

If you are claiming the deduction on line 4 or line 5 of this schedule, you must complete the property tax clearance section at the top of the schedule. If you are required to attach a property tax clearance record from a county, obtain one by using the form Property Tax Clearance Record available on the Office of State Tax Commissioner's website at **www.tax.nd.gov**.

Line Instructions follow on Page 2.

Line 1 - Lump sum distribution
If you received a lump-sum distribution from a qualified retirement plan that you elected to report on Federal Form 4972 (Tax On Lump-Sum Distributions), you must enter on this line the amount from Form 4972, line 6 plus line 10. However, if you received the distribution while a nonresident of North Dakota, do not make an entry on this line.

Line 2 - Loss from certain S corporations
Enter on this line the amount of a loss adjustment reported to you by an S corporation that elected to be taxed as a C corporation for North Dakota income tax purposes. For more information, see the guideline Adjustment For Income (Loss) From An S Corporation Electing To Be Taxed As A C Corporation under “Guidelines” at **www.tax.nd.gov**.

Line 4 - Renaissance zone income exemption
If you qualified for the business or investment income exemption under the North Dakota renaissance zone program, enter the sum of the amounts from Schedule RZ, Part 7, line 1c. **Attach Schedule RZ.**

Line 5 - New or expanding business income exemption
If you operate a business as a sole proprietorship and were granted a new or expanding business income exemption under N.D.C.C. Ch. 40-57.1, enter the portion of your net business income that is eligible for the exemption. For more information on how to calculate the amount of the exempt income, see North Dakota Administrative Code § 81-03-01.1-06. Include on this line a new or expanding business income exemption from a North Dakota Schedule K-1.

Line 6 - Organ donor deduction
If you or your dependent, while living, donates part or all of a liver, pancreas, kidney, intestine, lung, or bone marrow for transplantation into another human being, you may deduct up to $10,000 of qualified expenses related to the donation that you incurred during the tax year.

Qualified expenses means:

- Lost wages not compensated for by sick pay.
- Unreimbursed medical expenses (as defined for federal income tax purposes) that you did not deduct in calculating your federal taxable income.

The expenses are deductible in the tax year in which they are incurred. They are incurred when the medical care is actually provided, and not when the expenses are billed or paid.

Enter on this line qualified expenses incurred during the tax year.

Line 7 - Employee workforce recruitment exclusion
If you receive a statement from your employer verifying that your employer qualified for the North Dakota workforce recruitment income tax credit based on your employment, enter on this line the amount of the signing bonus, moving expense payment, or non-typical fringe benefit payment shown on the statement, but only to the extent it is included in your federal taxable income for the tax year. **Attach a copy of the statement received from your employer.**

Line 8 - Stillborn child deduction
You are allowed a deduction if you meet all of the following conditions:

- You are the parent of a child who was stillborn in 2025.
- You received or obtained a certified copy of a Fetal Death Record (Certification of Fetal Death) from the North Dakota Department of Health, Division of Vital Records. This deduction is allowed only if a Fetal Death Record was filed with the North Dakota Division of Vital Records.
- You would have been eligible to claim the child as a dependent on your 2025 federal income tax return if the child had been born alive. For information on who is entitled to a federal dependency exemption, see IRS Publication 501.

If eligible, enter $5,241 on line 8a and complete lines 8b and 8c.

Line 9 – College expense reimbursement deduction
If your employer paid to you, or on your behalf, an amount as reimbursement of expenses you incurred for higher education or career and technical education, and the reimbursement was included in the taxable wages reported in Box 1 of your Form W-2, enter the taxable reimbursement on this line. Do not enter on this line any portion of a reimbursement that you deducted or excluded from your federal taxable income.

Attach a statement or letter from your employer containing the following information:

- A statement that the employer paid to you, or on your behalf, an amount as reimbursement for higher education or career and technical education expenses you incurred.
- Amount of reimbursement included in the taxable wages reported in Box 1 of your Form W-2.

Line 10 - Income from certain S corporations
Enter on this line the amount of an income adjustment reported to you by an S corporation that elected to be taxed as a C corporation for North Dakota income tax purposes. For more information, see the guideline Adjustment For Income (Loss) From An S Corporation Electing To Be Taxed As A C Corporation under “Guidelines” at **www.tax.nd.gov**.