



# NORTH DAKOTA OFFICE OF STATE TAX COMMISSIONER INCOME TAX NEWSLETTER

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## Due Date for Filing 2017 North Dakota Income Tax Returns

North Dakota income tax filers will have until Tuesday, April 17, 2018, to file their 2017 North Dakota income tax returns and pay any tax due on them. This applies to the following taxpayers with returns or payments that normally would be due on April 15, 2018:

- Individuals - Form ND-EZ or Form ND-1
- C corporations - Form 40
- Fiduciaries (for estates and trusts) - Form 38
- Partnerships - Form 58
- S corporations - Form 60

The April 17 due date also applies for purposes of paying the estimated income tax installment ordinarily due on April 15, 2018.

The April 17 due date recognizes the movement of the federal income tax filing and payment deadline to April 17, 2018, because of the Emancipation Day holiday in the District of Columbia.

*Note: This does not extend the 3-year time period in which to amend a 2014 calendar year return that was filed on or before the original due date of April 15, 2015.*

## Reminder of Extended Due Dates for Certain State Income Tax Returns

Tax preparers are reminded that North Dakota recognizes an extension of time to file the federal income tax return as an automatic extension of time to file the North Dakota income tax return. For entities other than C corporations, North Dakota follows the federal extended due date, which means the extended due date for North Dakota purposes is the same as the federal extended due date. For C corporations, however, the extended due date for North Dakota purposes is the federal extended due date plus one month.

## Form ND-1ES Mailing Discontinued

Starting with the 2018 Form ND-1ES, the individual estimated income tax form and payment vouchers will no longer be mailed to taxpayers. The following options are available to individuals who are required to pay estimated North Dakota income tax:

- Pay electronically online at [www.nd.gov/tax/payment](http://www.nd.gov/tax/payment). Paying electronically eliminates the need for a form.
- Print out a paper copy of the Form ND-1ES found on the Office of State Tax Commissioner’s website at [www.nd.gov/tax/payment](http://www.nd.gov/tax/payment) voucher. Then complete and mail the payment voucher with a check to the address on the voucher.
- Contact the Office of State Tax Commissioner to request a Form ND-1ES. See contact information at the end of this newsletter.

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Division



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www.nd.gov/tax

**Reminder:** Individuals *do not* have to pay estimated North Dakota income tax for the 2018 tax year if any of the following apply:

- They do not have to pay estimated federal income tax for 2018.
- The North Dakota net tax liability on their 2017 North Dakota income tax return is less than \$1,000.
- The tax due on their 2018 North Dakota income tax return is expected to be less than \$1,000.

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## New Property Tax Clearance Record Requirement

Effective August 1, 2017, certain North Dakota income tax deductions and income tax credits may not be granted or claimed unless a taxpayer has obtained a property tax clearance record from each North Dakota county in which the taxpayer holds a 50 percent or more ownership interest in real property. Real property means property that is subject to property tax, such as a personal residence, land, apartment building or office building.

If a taxpayer is a corporation or a passthrough entity, the property tax clearance record requirement extends to any officer, partner, governor or managing member responsible for the business's tax obligations who personally holds a 50 percent or more ownership interest in real property in North Dakota. A passthrough entity means a partnership, S corporation or limited liability company treated like a partnership or S corporation.

A taxpayer must attach the property tax clearance record(s) to the application form or income tax return on which the income tax incentive is applied for or claimed.

The following are the income tax deductions and income tax credits subject to this new requirement and the North Dakota Century Code citations:

- Agricultural commodity processing facility investment tax credit (Ch. 57-38.6)
- Angel fund investment tax credit (§ 57-38-01.26, in effect before July 1, 2017)
- Angel investor investment tax credit (§ 57-38-01.26, in effect after June 30, 2017)
- Biodiesel fuel blending tax credit (§ 57-38-01.22)
- Biodiesel fuel equipment tax credit (§ 57-38-01.23)
- Biodiesel fuel production facility construction or retrofit tax credit (§ 57-38-30.6)
- Internship program tax credit (§ 57-38-01.24)
- Manufacturing automation equipment tax credit (§ 57-38-01.33)
- New or expanding business income exemption (Ch. 40-57.1)
- Renaissance zone income exemptions and tax credits (Ch. 40-63)
- Research expense tax credit (§ 57-38-30.5)
- Seed capital investment tax credit (Ch. 57-38.5)
- Soybean or canola crushing facility construction or retrofit tax credit (§ 57-38-30.6)
- Workforce recruitment tax credit (§ 57-38-01.25)

The income tax incentives subject to the property tax clearance record requirements are also identified in the applicable North Dakota income tax forms and instructions.

## How to Obtain a Property Tax Clearance Record

To obtain a property tax clearance record, a taxpayer must complete a [Property Tax Clearance Record](#) form. A separate form must be completed for each county from which a property tax clearance record is required. The taxpayer must complete Part 1 of the form and then mail, fax or take the form to the county treasurer's or auditor's office. If the taxpayer is current on property taxes in the county, the county will complete and sign Part 2 of the form; however, if there is a property tax delinquency, the county will not complete or sign Part 2 of the form.

**What to do with the Property Tax Clearance Record** - A taxpayer must provide the completed property tax clearance record(s), including any for a responsible officer, partner, governor or managing member, to the Office of State Tax Commissioner as follows:

- **Application Form** - If an application form must be filed to qualify for a listed state income tax incentive, attach the required clearance record(s) to the application form. A copy of the clearance record(s) must also be attached to the income tax return on which the incentive is claimed - see "Tax Return" below.
- **Tax Return** - If a listed state income tax incentive is claimed on a North Dakota income tax return, attach the required clearance record(s) to the return. This applies even if a taxpayer attached them to an application form filed to qualify for the incentive. A new property tax clearance record must be obtained and attached to the tax return for each year the state tax incentive is claimed. If a return is electronically filed, submit each property tax clearance record as a PDF attachment to the return; however, if a PDF attachment cannot be provided, the taxpayer must retain the property tax clearance record and, if requested, make it available to the Office of State Tax Commissioner.

For more information, see the [Guideline: State and Local Tax Clearance Requirements](#).

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## 2017 Form 1099-G State Refund Information Available Online

If there was an overpayment on the 2016 Form ND-EZ or Form ND-1 (last year's return), and the Form 1099-G consent statement was checked on that return, a paper 2017 Form 1099-G showing the overpayment amount will not be mailed to the taxpayer. If a taxpayer needs this information to complete the 2017 federal income tax return, the taxpayer can obtain the information using the [1099-G Lookup Tool](#) on the Office of State Tax Commissioner's website.

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## New Payment Voucher for Form ND-1 Paper Filers

Individuals are always encouraged to file and pay their income tax using the available electronic filing and payment options. However, if an individual chooses to file Form ND-EZ or Form ND-1 on paper, and a balance due on the return is going to be paid with a paper check, a new [Form ND-1PRV](#) payment voucher must be completed and enclosed with the payment. Use of the voucher improves processing efficiency and ensures the payment is applied to the proper account.

**Other Individual Income Tax Payment Vouchers** - For other individual income tax payments made with a paper check, use the applicable payment voucher as follows:

- If paying a balance due on an electronically-filed Form ND-EZ or ND-1, use Form ND-1V.
- If making an advance payment of a balance due expected on a Form ND-EZ or ND-1 for which an extension of time to file was obtained, use Form ND-1EXT.
- If making an estimated individual income tax payment, use Form ND-1ES.



## Other Income Tax Payment Vouchers

For income tax filers other than individuals, when making an income tax payment with a paper check, use the applicable payment voucher as follows:

Type of filer (form)	If paying a balance due on return:	If making an advance payment of a balance due on return with an extension:	If making an estimated income tax payment:
C corporation (Form 40)	Form 40-PV	Form 40-EXT	Form 40-ES
Fiduciary (Form 38)	Form 38-PV	Form 38-EXT	Form 38-ES
Partnership (Form 58)	Form 58-PV	Form 58-EXT	Form 58-ES
S corporation (Form 60)	Form 60-PV	Form 60-EXT	Form 60-ES

**Employer Payment of Income Tax Withheld from Wages** - There is no separate payment voucher for employer payments of income tax withheld from employees' wages. Submit a payment made by check with the withholding return.

**Payment of Income Tax Withheld from Oil and Gas Royalties** - There is no separate payment voucher for payments of income tax withheld from oil and gas royalty payments. Submit a payment made by check with the withholding return.

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## New Stillborn Child Income Tax Deduction

Parents who lost a child to stillbirth in 2017 are eligible for a new income tax deduction on their 2017 North Dakota income tax return. The deduction is equal to \$4,050, which is the amount of the federal income tax dependency exemption for 2017. Parents are eligible for this deduction if both of the following apply:

- A fetal death record has been filed with the North Dakota Department of Health, Division of Vital Records.
- The parents could have claimed the child as a dependent for federal income tax purposes if the child had been born alive. If the parents file separate income tax returns, the deduction is allowed to the parent who would have been able to claim the child as a dependent.

To claim the deduction, parents must obtain a Certification of Fetal Death (or Certification of Birth Resulting in Stillbirth) from the North Dakota Division of Vital Records. Certain information from the certification form is required on the North Dakota income tax return to support the deduction. The deduction is claimed on Schedule ND-1SA (line 5), a supplemental schedule to Form ND-1.

The parent(s) identified on the fetal death record may obtain a Certification of Fetal Death (or Certification of Birth Resulting in Stillbirth) from the North Dakota Division of Vital Records online at [www.ndhealth.gov/vital](http://www.ndhealth.gov/vital), or by submitting a request form by fax or mail. The certificate can also be obtained in person at the agency's office in the North Dakota State Capitol building on the first floor of the judicial wing, room 118.

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## Assistance

To assist you in your tax preparation work, the following phone numbers and email addresses are provided for your convenience.

General Information.....	701.328.7088
Toll free.....	877.328.7088
TDD (ask for 701.328.7088).....	800.366.6888
Fax.....	701.328.3700
Email.....	<a href="mailto:taxinfo@nd.gov">taxinfo@nd.gov</a>
Taxpayer Services ( <i>correction notices, calculation worksheets, information requests</i> ).....	701.328.1242
Individual Income Tax.....	701.328.1247
Email.....	<a href="mailto:individualtax@nd.gov">individualtax@nd.gov</a>
Partnership, S corporation, Trust and Estate income tax.....	701.328.1258
Email.....	<a href="mailto:individualtax@nd.gov">individualtax@nd.gov</a>
Corporation Income Tax.....	701.328.1249
Email.....	<a href="mailto:corptax@nd.gov">corptax@nd.gov</a>
Income Tax Withholding from Wages (for employers).....	701.328.1248
Email.....	<a href="mailto:withhold@nd.gov">withhold@nd.gov</a>
Income Tax Withholding from Oil and Gas Royalties.....	701.328.1247
Email.....	<a href="mailto:individualtax@nd.gov">individualtax@nd.gov</a>
Collections ( <i>tax due statements, lien notices, payment plans</i> ).....	701.328.1244
Business Registration.....	701.328.1241
Email.....	<a href="mailto:taxregistration@nd.gov">taxregistration@nd.gov</a>

Additional contact information can be found on the Office of State Tax Commissioner's website at [www.nd.gov/tax](http://www.nd.gov/tax) under [Contact Us](#).