

Credits/Incentives:

North Dakota: New Law Creates Tax Credit for Some Purchased Manufacturing M&E Used for Automation

H.B. 1168, signed by gov. 5/8/23. Effective for taxable years beginning after December 31, 2022, new law creates a nonrefundable state income tax credit for some qualified businesses on purchases of manufacturing or animal agricultural machinery and equipment used to automate a manufacturing or animal agricultural process in North Dakota “to improve job quality or increase productivity.” Under the legislation, “manufacturing machinery and equipment” means new or used automation and robotic equipment used to upgrade or advance a manufacturing process; the term does *not* include replacement automation and robotic equipment that does not upgrade or advance a manufacturing process. A “purchase” for purposes of this income tax credit includes qualifying machinery and equipment acquired under a capital lease, but only for the taxable year in which the lease is executed. Please contact us with any questions.

URL: https://ndlegis.gov/assembly/68-2023/regular/bill-actions/ba1168.html?bill_year=2023&bill_number=1168

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