

● **INCOME TAX LAW**

STATUTORY CITATION: N.D. Cent. Code §§ 57-38-01 – 57-38-75

GENERAL SUMMARY: Chapter 57-38 of the state statutes levies an annual tax on the income of residents and certain non-residents of North Dakota. With few exceptions, every employer in the state who makes wage payments subject to federal income tax withholding is required to deduct and withhold from such earnings a sum calculated to approximate the state income tax due on the worker's wages. The employer must forward withheld taxes to the state quarterly and, by January 31 of the following year, must furnish the worker with a statement showing the total compensation paid and amounts withheld for state income tax purposes.

PROVISIONS APPLICABLE TO AGRICULTURE: Under the U.S. Internal Revenue Code, agricultural employers who pay at least \$2,500 in wages for agricultural labor during the year are required to deduct and withhold federal income tax from the wages of their agricultural employees. In those cases, farm employers in North Dakota must also withhold state income tax from their workers' wages.

Likewise, an employer whose annual agricultural payroll expenditures amount to less than \$2,500, but who pays at least \$150 in cash agricultural wages to a particular worker during the year, is required to withhold federal income tax from that worker's wages, and thus would be obligated to withhold state income tax as well.

SPECIAL NOTES OR ADVISORIES

TAX RETURNS AND LIABILITY — Even if exempt from tax withholding, a farmworker may be required to file an annual state income tax return and may be liable for payment of taxes, depending on total net income during the tax year and other circumstances.

ADMINISTRATION AND ENFORCEMENT

PRIMARY ENFORCEMENT AGENCY — *North Dakota Office of State Tax Commissioner, Bismarck, North Dakota 58505 (701-328-1247).*

SECONDARY OR ASSOCIATED ENFORCEMENT AGENCY — *None.*