

**Sixty-ninth Legislative Assembly of North Dakota
In Regular Session Commencing Tuesday, January 7, 2025**

SENATE BILL NO. 2047
(Finance and Taxation Committee)
(At the request of the Tax Commissioner)

AN ACT to amend and reenact section 57-38-59 of the North Dakota Century Code, relating to withholding from wages of employees; and to provide an effective date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 57-38-59 of the North Dakota Century Code is amended and reenacted as follows:

57-38-59. Withholding from wages of employees - Penalty.

1. Except as provided in section 57-38-59.3, every employer making payment of wages to employees shall deduct and withhold from their wages such percentage or percentages, as determined by the tax commissioner, multiplied times the total amount required to be deducted by an employer from wages of an employee under the provisions of the Internal Revenue Code of 1986, as amended, as will approximate the income taxes due the state. The amount of tax withheld must be computed without regard to any other amount required to be withheld, but the tax withheld must as closely as possible pay any tax liability imposed by this chapter.
2. In the event that the tax deducted and withheld under subsection 1 should prove to be disproportionate to the tax liability, the tax commissioner may adjust the percentage that, when withheld, will, as closely as may be possible, pay the income tax liability imposed by this chapter.
3. The tax commissioner may, in lieu of the requirement above for deducting and withholding tax based upon a percentage of federal income tax withheld, adopt by rule tax tables that, when the tax provided for in the tables is withheld, will, as closely as possible, pay the income tax liability imposed by this chapter. When adopted by the tax commissioner, said tables must be followed by every employer required to deduct and withhold any tax imposed by this chapter.
4. Notwithstanding other provisions in this section, unless otherwise instructed by a taxpayer, an employer may not, for income tax purposes, withhold or deduct tax from wages described under subdivision g of subsection 2 of section 57-38-30.3.

SECTION 2. EFFECTIVE DATE. This Act is effective for taxable years beginning after December 31, 2025.

Michelle L. Lunder
President of the Senate

Rohi Weiss
Speaker of the House

Shanda Morgan
Secretary of the Senate

Bruce J. Reich
Chief Clerk of the House

This certifies that the within bill originated in the Senate of the Sixty-ninth Legislative Assembly of North Dakota and is known on the records of that body as Senate Bill No. 2047.

Senate Vote: Yeas 46 Nays 0 Absent 1

House Vote: Yeas 86 Nays 6 Absent 2

Shanda Morgan
Secretary of the Senate

Received by the Governor at 3:27 p M. on March 17, 2025.

Approved at 12:07 p M. on March 18, 2025.

[Signature]
Governor

Filed in this office this 18th day of March, 2025,
at 2:58 o'clock p M.

Michael Howe
Secretary of State