Fifty-ninth Legislative Assembly of North Dakota

ENGROSSED SENATE BILL NO. 2170

Introduced by

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Senators Wardner, Lyson, O'Connell

Representatives Froseth, Rennerfeldt, Solberg

- 1 A BILL for an Act to create and enact a new subsection to section 57-39.2-04 and a new
- 2 subsection to section 57-40.2-04 of the North Dakota Century Code, relating to a sales and use
- 3 tax exemption for carbon dioxide used for enhanced recovery of oil or natural gas; to amend
- 4 and reenact subdivision b of subsection 5 of section 57-51.1-03 of the North Dakota Century
- 5 Code, relating to an oil extraction tax exemption for incremental production from a tertiary
- 6 recovery project; and to provide an effective date.

7 BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

- 8 **SECTION 1.** A new subsection to section 57-39.2-04 of the North Dakota Century 9 Code is created and enacted as follows:
- 10 Gross receipts from sales of carbon dioxide used for enhanced recovery of oil or
 11 natural gas.
- SECTION 2. A new subsection to section 57-40.2-04 of the North Dakota Century

 Code is created and enacted as follows:
- Gross receipts from sales of carbon dioxide used for enhanced recovery of oil or natural gas.
- SECTION 3. AMENDMENT. Subdivision b of subsection 5 of section 57-51.1-03 of the
 North Dakota Century Code is amended and reenacted as follows:
 - b. The incremental production from a tertiary recovery project which has been certified as a qualified project by the industrial commission subsequent to June 30, 1991, and before July 1, 2005, is exempt from any taxes imposed under this chapter for a period of ten years from the date the incremental production begins. The incremental production from a tertiary recovery project that has been certified as a qualified project by the industrial

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commission subsequent to June 30, 2005, is exempt from any taxes imposed
under this chapter.

SECTION 4. EFFECTIVE DATE. This Act is effective for taxable events occurring after
June 30, 2005.