

Sixtieth  
Legislative Assembly  
of North Dakota

## HOUSE BILL NO. 1049

Introduced by

Representatives Carlson, Delzer, Dosch, Kasper, Thoreson, Weiler

1 A BILL for an Act to create and enact a new subsection to section 57-39.2-04 of the North  
2 Dakota Century Code, relating to a sales and use tax exemption for sales of natural gas and  
3 other fuels for heating purposes; to amend and reenact section 57-43.2-02.3 of the North  
4 Dakota Century Code, relating to a special fuels tax exemption for special fuels sold for use as  
5 heating fuel; to repeal section 57-39.2-03.6 of the North Dakota Century Code, relating to the  
6 imposition and rate of sales and use taxes on sales of natural gas; and to provide an effective  
7 date.

8 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

9 **SECTION 1.** A new subsection to section 57-39.2-04 of the North Dakota Century Code  
10 is created and enacted as follows:

11 Gross receipts from sales of natural gas or sales of fuels used for heating  
12 purposes.

13 **SECTION 2. AMENDMENT.** Section 57-43.2-02.3 of the North Dakota Century Code  
14 is amended and reenacted as follows:

15 **57-43.2-02.3. Exemptions.**

16 1. Special fuel commonly known as diesel fuel which is dyed for federal fuel tax  
17 exemption purposes and sold for ~~use as heating fuel or for~~ an agricultural,  
18 industrial, or railroad purpose is exempt from the special fuel tax imposed by  
19 section 57-43.2-02 at the time the fuel is sold to the consumer and is subject  
20 instead to the tax imposed by section 57-43.2-03. Special fuel known as diesel  
21 fuel which is dyed for federal fuel tax exemption purposes and sold for use as  
22 heating fuel is exempt from the special fuel tax imposed by sections 57-43.2-02  
23 and 57-43.2-03. Fuel purchased for use in a licensed motor vehicle is not exempt  
24 from the tax imposed by section 57-43.2-02.

- 1           2.   Special fuel, other than diesel fuel, sold for ~~use as heating fuel or for an~~  
2           agricultural, industrial, or railroad purpose is exempt from the special fuel tax  
3           imposed by section 57-43.2-02 at the time the fuel is sold to the consumer and is  
4           subject instead to the tax imposed by section 57-43.2-03. Special fuel, other than  
5           diesel fuel, sold for use as heating fuel is exempt from the special fuel tax imposed  
6           by sections 57-43.2-02 and 57-43.2-03 at the time the fuel is sold to the consumer.

7           Fuel purchased for use in a licensed motor vehicle is not exempt from the tax  
8           imposed by section 57-43.2-02.

- 9           3.   A consumer purchasing special fuel for a use in which it becomes an ingredient or  
10          a component part of tangible personal property intended to be sold ultimately at  
11          retail is exempt from the tax imposed by section 57-43.2-02 and is not subject to  
12          the tax imposed by section 57-43.2-03.

13          **SECTION 3. REPEAL.** Section 57-39.2-03.6 of the North Dakota Century Code is  
14          repealed.

15          **SECTION 4. EFFECTIVE DATE.** This Act is effective for taxable events occurring after  
16          June 30, 2007.