

Sixty-first
Legislative Assembly
of North Dakota

HOUSE BILL NO.

Introduced by

Representative Froelich

1 A BILL for an Act to create and enact a new subsection to section 57-02-08 and a new section
2 to chapter 57-38 of the North Dakota Century Code, relating to a property tax exemption and
3 corporate income tax exemption for a new oil refinery; to amend and reenact section
4 57-39.2-04.6 of the North Dakota Century Code, relating to a sales tax exemption for materials
5 used in construction in a new oil refinery; and to provide an effective date.

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

7 **SECTION 1.** A new subsection to section 57-02-08 of the North Dakota Century Code
8 is created and enacted as follows:

9 Fixtures, buildings, and improvements comprising an oil refinery constructed after
10 December 31, 2008, are exempt from taxation for the first ten taxable years
11 pending after the commencement of refinery operations.

12 **SECTION 2.** A new section to chapter 57-38 of the North Dakota Century Code is
13 created and enacted as follows:

14 **Corporate income tax exemption for new oil refinery.** Income received from the
15 operation of an oil refinery constructed in this state after December 31, 2008, is exempt from
16 the tax imposed by section 57-38-30 for the first ten taxable years ending after the
17 commencement of the refinery operations.

18 **SECTION 3. AMENDMENT.** Section 57-39.2-04.6 of the North Dakota Century Code
19 is amended and reenacted as follows:

20 **57-39.2-04.6. Sales and use tax exemption for materials used in construction or**
21 **expansion of an oil refinery.**

22 1. Gross receipts from sales of tangible personal property used in expanding or
23 constructing an oil refinery that has a nameplate capacity of processing at least five

- 1 thousand barrels of oil per day in this state are exempt from taxes under this
2 chapter.
- 3 2. The owner of the tangible personal property must apply to the tax commissioner for
4 a refund of sales and use taxes paid by any contractor, subcontractor, or builder for
5 which the sales or use is claimed as exempt under this section. Application for a
6 refund must be made at the times and in the manner directed by the tax
7 commissioner and must include sufficient information to permit the tax
8 commissioner to verify the sales and use taxes paid and the exempt status of the
9 sale or use.
- 10 3. This chapter and chapter 57-40.2 apply to the exemption under this section.
- 11 **SECTION 4. EFFECTIVE DATE.** Section 1 and 2 of this Act are effective for taxable
12 years beginning after December 31, 2008. Section 3 of this Act is effective for taxable events
13 occurring after June 30, 2009.