

Sixty-first
Legislative Assembly
of North Dakota

HOUSE BILL NO.

Introduced by

Representative Froseth

1 A BILL for an Act to amend and reenact subsection 9 of section 57-51.1-03 of the North Dakota
2 Century Code, relating to the oil extraction tax exemption for production from wells drilled and
3 completed in the Bakken formation; and to provide an effective date.

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

5 **SECTION 1. AMENDMENT.** Subsection 9 of section 57-51.1-03 of the North Dakota
6 Century Code is amended and reenacted as follows:

7 9. The first seventy-five thousand barrels of oil produced during the first eighteen
8 months after completion, from a horizontal well drilled and completed in the Bakken
9 formation after June 30, ~~2007~~ 2009, and before July 1, ~~2008~~ 2011, is subject to a
10 reduced tax rate of two percent of the gross value at the well of the oil extracted
11 under this chapter. A well eligible for a reduced tax rate under this subsection is
12 eligible for the exemption for horizontal wells under subsection 3, if the exemption
13 under subsection 3 is effective during all or part of the first twenty-four months after
14 completion.

15 **SECTION 2. EFFECTIVE DATE.** This Act is effective for taxable events occurring after
16 June 30, 2009.