

Sixty-first
Legislative Assembly
of North Dakota

HOUSE BILL NO.

Introduced by

Representative S. Meyer

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 or Three Forks 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 or Three Forks formation after June 30, 2007 2009, ~~and before July 1, 2008~~, is
10 subject to a reduced tax rate of two percent of the gross value at the well of the oil
11 extracted under this chapter. A well eligible for a reduced tax rate under this
12 subsection is eligible for the exemption for horizontal wells under subsection 3, if
13 the exemption under subsection 3 is effective during all or part of the first
14 twenty-four months after completion.

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