

Sixty-second  
Legislative Assembly  
of North Dakota

**SENATE BILL NO. 2368**

Introduced by

Senators Nodland, Andrist, Bowman, Lyson, O'Connell

Representative Schatz

1 A BILL for an Act to create and enact a new section to chapter 57-38 and a new subdivision to  
2 subsection 7 of section 57-38-30.3 of the North Dakota Century Code, relating to an individual  
3 and corporate income tax credit for surface owners of property on which oil or gas wellheads  
4 are located; and to provide an effective date.

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

6 **SECTION 1.** A new section to chapter 57-38 of the North Dakota Century Code is created  
7 and enacted as follows:

8 **Surface owner wellhead credit.**

9 The surface owner of real property on which is located one or more oil or gas wellheads is  
10 entitled to a refundable credit against income determined under section 57-38-30 or 57-38-30.3  
11 in the amount of two hundred dollars per taxable year for each wellhead located on that  
12 property.

13 A partnership, subchapter S corporation, limited partnership, limited liability company, or  
14 any other passthrough entity entitled to the credit under this section must be considered to be  
15 the taxpayer for purposes of this section, and the amount of the credit allowed must be  
16 determined at the passthrough entity level. The amount of the total credit determined at the  
17 entity level must be passed through to the partners, shareholders, or members in proportion to  
18 their respective interests in the passthrough entity.

19 By June first of each year, the tax commissioner shall determine the revenue loss to the  
20 state general fund for the previous taxable year under the credit provided under this section.  
21 The tax commissioner shall advise the state treasurer of the amount determined, and by June  
22 thirtieth of that year, the state treasurer shall transfer that amount to the state general fund from  
23 the lands and minerals trust fund.

1       **SECTION 2.** A new subdivision to subsection 7 of section 57-38-30.3 of the North Dakota  
2 Century Code is created and enacted as follows:

3               Surface owner wellhead credit under section 1 of this Act.

4       **SECTION 3. EFFECTIVE DATE.** This Act is effective for taxable years beginning after  
5 December 31, 2010.