

HB 1286 Testimony

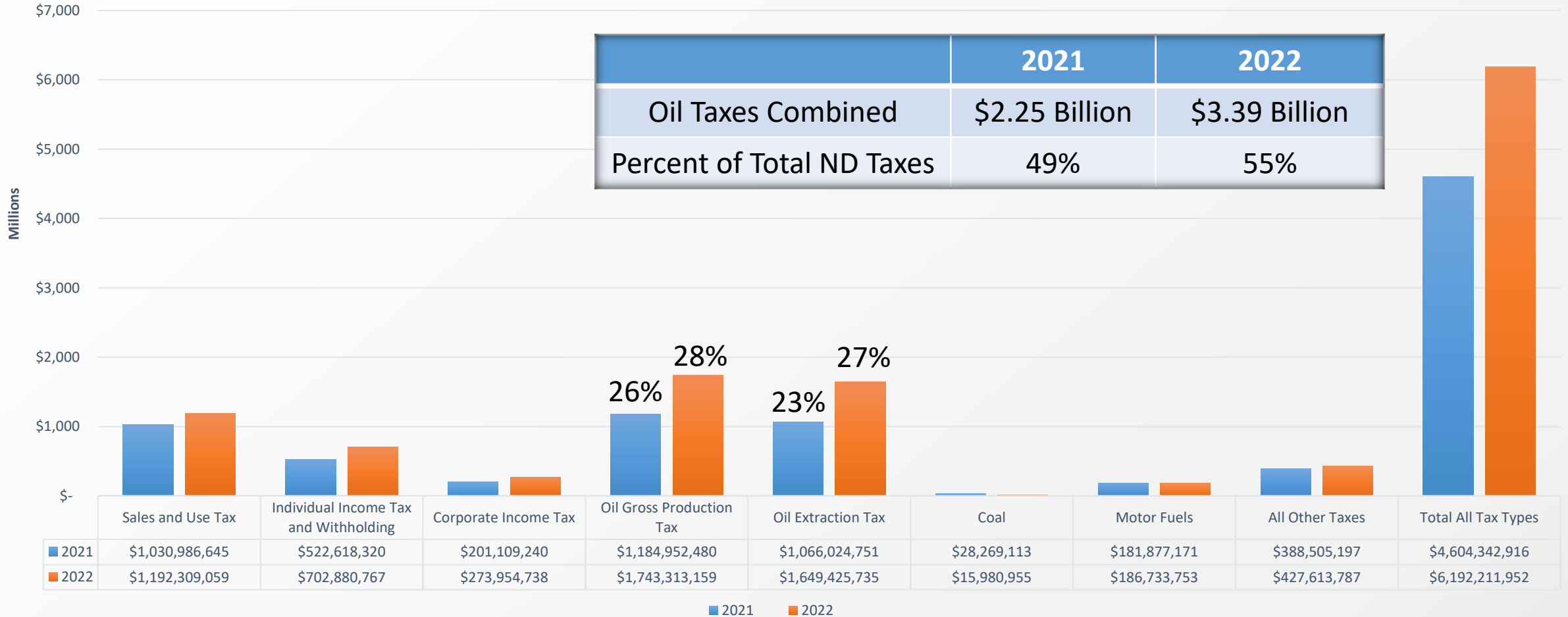
Ron Ness, President



NORTH DAKOTA
PETROLEUM
COUNCIL



North Dakota State Tax Revenues



Source: ND Office of State Tax Commissioner Feb 2023



OIL TAX ALLOCATIONS

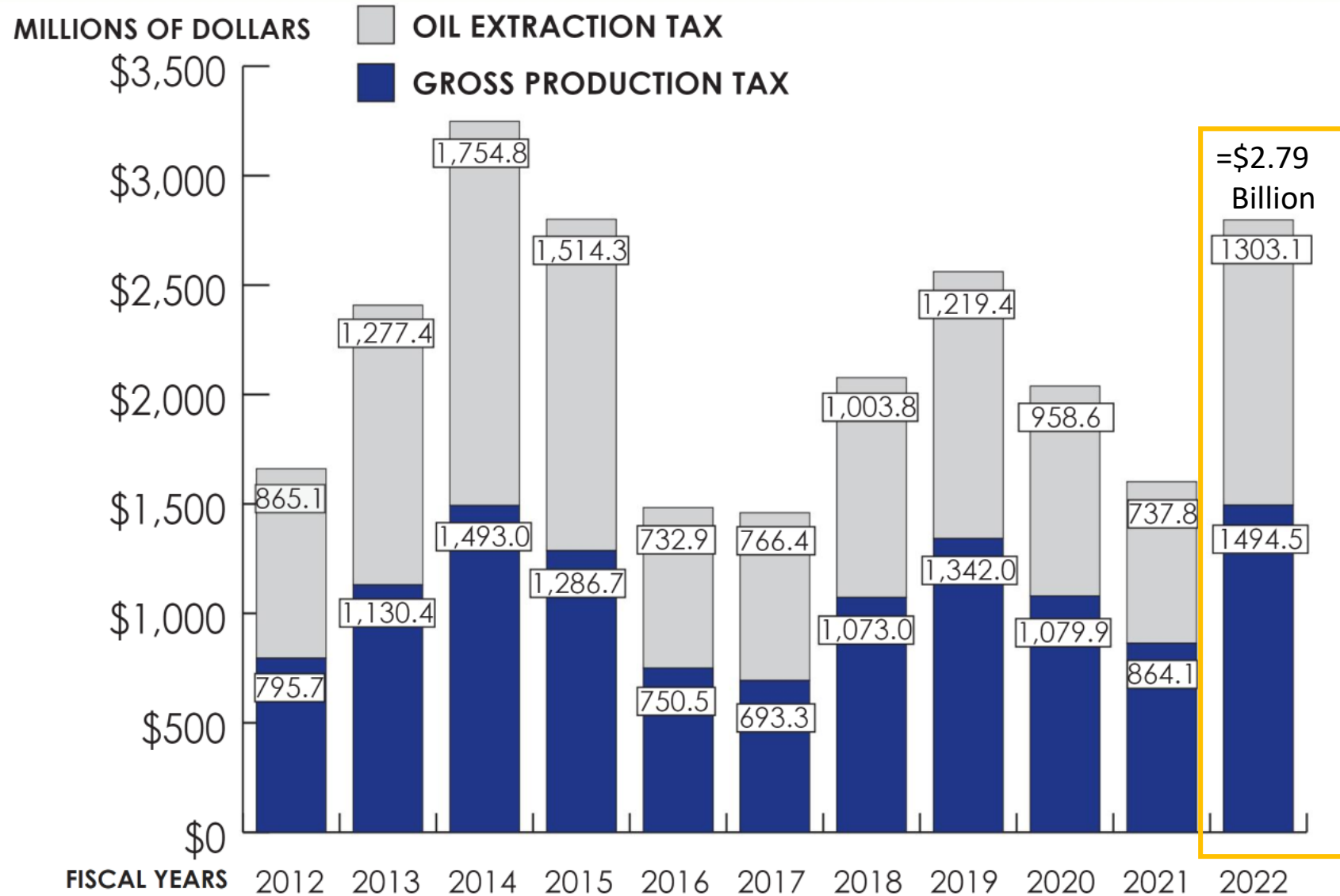
Biennium to Date - Jan 31, 2023 (in millions)

	Orig 2021 Leg. Forecast	Actual	Incr (Dcr)
Political Subdivisions	\$401.8	\$632.3	\$230.5
Tribes	\$371.1	\$553.9	\$182.8
Legacy Fund	\$740.7	\$1,221.6	\$480.9
General Fund	\$400.0	\$400.0	\$0.0
Education Funds	\$242.0	\$386.8	\$144.8
Resources Trust Fund	\$243.9	\$392.3	\$148.4
Budget Stabilization Fund	\$0.0	\$9.6	\$9.6
Tax Relief Fund	\$200.0	\$200.0	\$0.0
Municipal Infrastructure	\$0.0	\$115.0	\$115.0
County Town Infrastructure	\$0.0	\$115.0	\$115.0
Strategic Investment Improvement Fund	\$162.4	\$494.5	\$332.1
Airport Infrastructure	\$0.0	\$20.0	\$20.0
Other Allocations	\$72.9	\$77.0	\$4.1
Total	\$2,834.8	\$4,618.0	\$1,783.2

Source: ND Management and Budget Feb 2023



TRENDS IN OIL AND GAS TAX COLLECTIONS

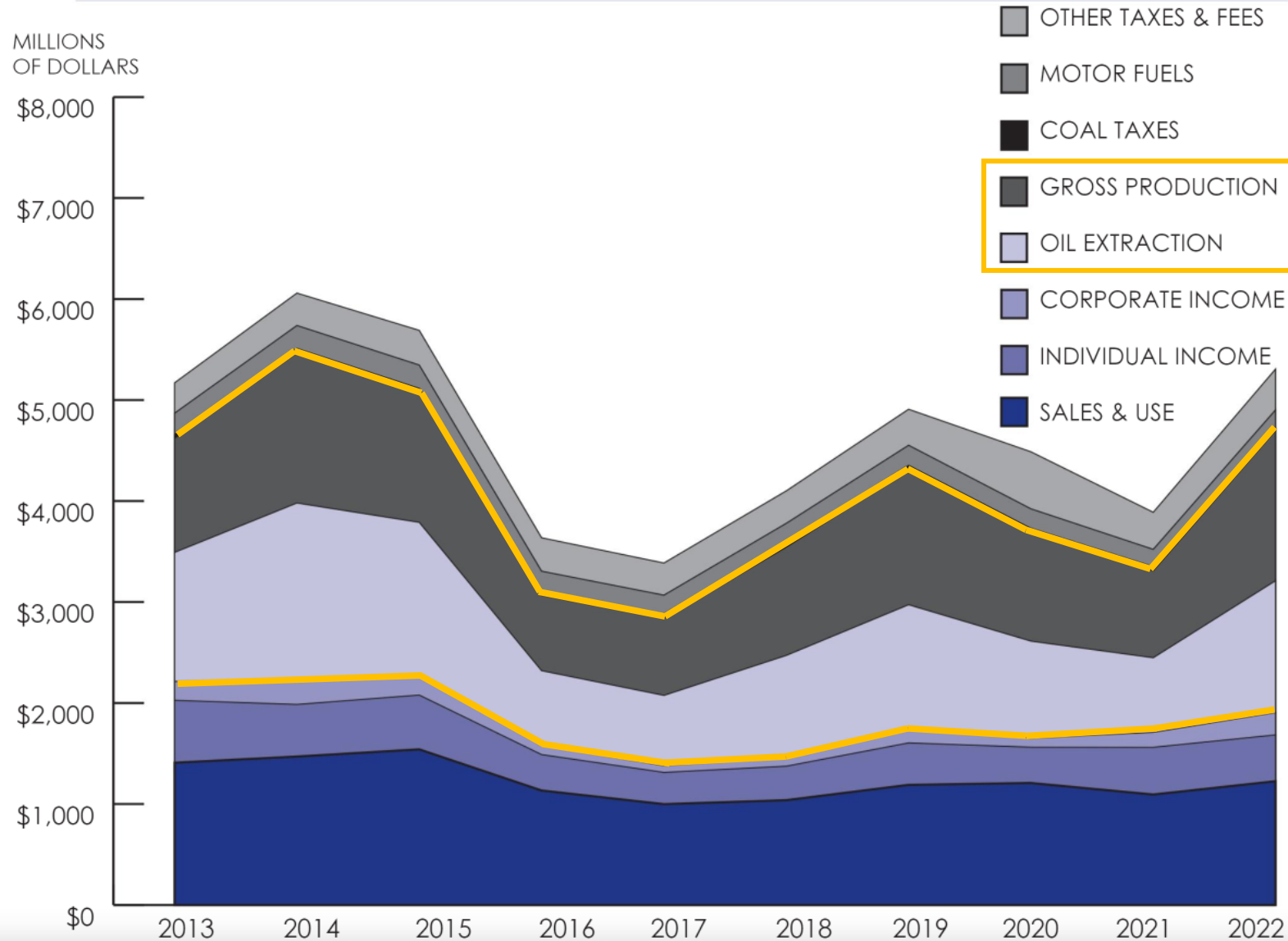


Source: 2022 North Dakota Office of State Tax Commissioner, Comparative Statement of Collections.



OFFICE OF STATE TAX COMMISSIONER NET COLLECTIONS

FISCAL YEARS 2013-2022



53%

TAX TYPE

2022

Sales & Use	\$1,225.9
Individual Income	\$458.6
Corporation Income	\$223.7
Oil Extraction	\$1,303.1
Gross Production	\$1,494.5
Coal Taxes	\$17.0
Motor Fuels	\$179.9
Other Taxes & Fees	\$404.3
Total Net Collections*	\$5,307.0

Source: 2022 North Dakota Office of State Tax Commissioner, Comparative Statement of Collections.



NORTH DAKOTA PETROLEUM COUNCIL

OIL TAXES IN THE 15 MAJOR OIL PRODUCING STATES

STATE	SEVERANCE OR GROSS PRODUCTION TAX RATE	ANNUAL PRODUCTION (MILLION BARRELS)			
		2018	2019	2020	2021
Alaska	0 to 35.0%	174.8	169.9	163.9	159.6
California ⁽¹⁾		160.7	156.4	142.2	134.6
Colorado ⁽²⁾	2 to 5%	169.2	192.2	171.6	153.4
Kansas ⁽³⁾	8%	34.7	33.2	28.3	27.9
Louisiana	3.125 to 12.5%	48.1	45.9	36.7	34.7
Michigan	4 to 6.6%	5.5	5.2	4.1	4.3
Mississippi	0 to 6.0%	17.0	16.9	14.2	13.4
Montana ⁽⁴⁾	.8 to 15.1%	21.6	23.0	19.1	19.0
New Mexico	3.75%	249.2	336.5	375.4	457.2
North Dakota ⁽⁵⁾	10%	460.4	517.7	433.6	405.1
Oklahoma	1 to 7.0%	201.3	218.3	173.2	143.1
South Dakota	4.5	1.3	1.2	1.0	1.0
Texas ⁽⁶⁾	0 to 4.6%	1612.4	1864.3	1773.1	1739.7
Utah ⁽⁶⁾⁽⁷⁾	0, 3 or 5%	37.1	36.9	31.0	35.5
Wyoming	2 to 6.0%	88.0	102.2	89.1	85.4

* Severance (or gross production) tax is in lieu of local property taxes on the oil.

Source: 2022 North Dakota Office of State Tax Commissioner, Comparative Statement of Collections.

NORTH DAKOTA PETROLEUM COUNCIL

Oil taxes are
hard to
compare state
to state.
Some states
have local
taxes.



Questions?

Ron Ness, President



NORTH DAKOTA
PETROLEUM
COUNCIL

