## FISCAL NOTE HOUSE BILL NO. 1483 LC# 25.1080.03000 03/26/2025

## 1 - State Fiscal Effect

Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.

	2023-2025 Biennium		2025-2027 Biennium		2027-2029 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

# 2 - County, City, School District, and Township Fiscal Effect

Identify the fiscal effect on the appropriate political subdivision.

	2023-2025 Biennium	2025-2027 Biennium	2027-2029 Biennium
Counties			
Cities			
School Districts			
Townships			

## 3 - Bill and Fiscal Impact Summary

Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).

HB 1483 provides a reduced, oil extraction tax rate, for oil produced from a new well drilled and completed outside the Bakken and Three Forks formations.

# 4 - Fiscal Impact Sections Detail

Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.

Section 1 provides a reduced oil extraction rate, from five percent to two percent, for the first three hundred thousand barrels of oil produced during the first thirty-six months after completion from a well drilled and completed outside the Bakken and Three Forks formations. A well located within the exterior boundaries of a reservation, a well located on trust properties outside reservation boundaries, or a straddle well located on reservation trust land are not subject to the reduced rate unless a tribe elects to opt-in to the tax rate reduction.

New wells drilled as a direct result of HB 1483 if enacted, would produce a net gain of seven percent from oil and gas severance tax collections including the current, five percent oil gross production tax applied to barrels of oil produced times market price received, over the life of the well and a reduced, from five to two percent oil extraction tax rate, for the first three hundred thousand barrels of oil produced during the first thirty-six months after completion from a well drilled outside the Bakken and Three Forks formations and within a ten-mile radius of the established field.

Wells drilled beyond the ten-mile radius of the established field as indicated would qualify for the expanded exemption and reduced oil extraction tax rate, from five to two percent, on an additional 50,000 barrels of incremental production occurring within the effective, thirty-six-month window.

### 5 - Revenues Detail

For information shown under state fiscal effect in 1 or 2, please explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.

If HB 1483 is enacted, the fiscal impact is contingent on numerous external factors including market variables and pace of development and as a result, difficult to provide an estimate for.

### 6 - Expenditures Detail

For information shown under state fiscal effect in 1 or 2, please explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.

NA

### 7 - Appropriations Detail

For information shown under state fiscal effect in 1 or 2, please explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.

NA

#### **Contact Information**

Name: Brian Kroshus Agency: Office of State Tax Commissioner Telephone: 7013283507 Date Prepared: 03/26/2025