

## ANALYSIS OF THE PERMANENT OIL TAX TRUST FUND FOR THE 2003-05 BIENNIUM

Beginning balance - July 1, 2003		\$12,800,761
Add estimated revenues		
Oil and gas production tax and oil extraction tax collections	<u>\$683,636</u>	
Total estimated revenues		<u>\$683,636</u>
Total available		\$13,484,397
Less estimated expenditures	\$0	
Transfer to the general fund (Section 6 of 2003 SB 2015)	<u>11,910,000</u>	
Total estimated expenditures		<u>\$11,910,000<sup>1</sup></u>
Estimated ending balance - June 30, 2005		<u><u>\$1,574,397</u></u>

<sup>1</sup>Pursuant to North Dakota Century Code Section 57-51.1-07.2, the principal of the permanent oil tax trust fund may only be spent upon a two-thirds vote of the members elected to each house of the Legislative Assembly.

**NOTE:** The estimated June 30, 2005, balance made at the end of the 2003 legislative session was \$734,700. The increase in the estimated balance of \$839,697 is the net effect of the actual July 1, 2003, balance of \$12,800,761 being \$890,761 more than the July 1, 2003, balance estimated at the close of the 2003 legislative session of \$11,910,000, and the estimated revenues being \$51,064 less than the previous estimate of \$734,700.

North Dakota Century Code Section 57-51.1-07.2 (1997 Senate Bill No. 2366) establishes a permanent oil tax trust fund and provides that at the end of each biennium beginning after June 30, 1997, all revenues deposited in the general fund during that biennium derived from taxes imposed on oil and gas under Chapters 57-51 (Oil and Gas Gross Production Tax) and 57-51.1 (Oil Extraction Tax) which exceed \$71 million are to be transferred into the permanent oil tax trust fund. The State Treasurer is to transfer the interest earned on the fund to the general fund at the end of each fiscal year.