

**SENATE BILL NO. 2170**

Introduced by

Senators Wardner, Lyson, O'Connell

Representatives Froseth, Rennerfeldt, Solberg

1 A BILL for an Act to create and enact a new subsection to section 57-39.2-04 and a new  
2 subsection to section 57-40.2-04 of the North Dakota Century Code, relating to a sales and use  
3 tax exemption for carbon dioxide used for enhanced recovery of oil or natural gas; to amend  
4 and reenact subdivision b of subsection 5 of section 57-51.1-03 of the North Dakota Century  
5 Code, relating to an oil extraction tax exemption for incremental production from a tertiary  
6 recovery project; and to provide an effective date.

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

8 **SECTION 1.** A new subsection to section 57-39.2-04 of the North Dakota Century Code  
9 is created and enacted as follows:

10 Gross receipts from sales of carbon dioxide used for enhanced recovery of oil or  
11 natural gas.

12 **SECTION 2.** A new subsection to section 57-40.2-04 of the North Dakota Century Code  
13 is created and enacted as follows:

14 Gross receipts from sales of carbon dioxide used for enhanced recovery of oil or  
15 natural gas.

16 **SECTION 3. AMENDMENT.** Subdivision b of subsection 5 of section 57-51.1-03 of the  
17 North Dakota Century Code is amended and reenacted as follows:

18 b. The incremental production from a tertiary recovery project which has been  
19 certified as a qualified project by the industrial commission subsequent to  
20 June 30, 1991, is exempt from any taxes imposed under this chapter ~~for a~~  
21 ~~period of ten years from the date the incremental production begins.~~

22 **SECTION 4. EFFECTIVE DATE.** This Act is effective for taxable events occurring after  
23 June 30, 2005.