

**SENATE BILL NO. 2397**

Introduced by

Senators Wardner, Lyson, O'Connell

Representatives Belter, Onstad, Wieland

1 A BILL for an Act to amend and reenact section 57-51.1-02 of the North Dakota Century Code,  
2 relating to oil extraction tax rates; and to provide an effective date.

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

4 **SECTION 1. AMENDMENT.** Section 57-51.1-02 of the North Dakota Century Code is  
5 amended and reenacted as follows:

6 **57-51.1-02. Imposition of oil extraction tax.** There is hereby imposed an excise tax,  
7 to be known as the "oil extraction tax", upon the activity in this state of extracting oil from the  
8 earth, and every owner, including any royalty owner, of any part of the oil extracted is deemed  
9 for the purposes of this chapter to be engaged in the activity of extracting that oil.

- 10 1. The For oil produced from wells drilled and completed before January 1, 2008, the  
11 rate of tax is six and one-half percent of the gross value at the well of the oil  
12 extracted, except that the rate of tax is four percent of the gross value at the well of  
13 the oil extracted ~~in the following situations:~~ that meets one of the requirements of  
14 subsection 4.
- 15 2. For oil produced from wells drilled and completed from January 1, 2008, through  
16 December 31, 2008, the rate of tax is five and one-half percent of the gross value  
17 at the well of the oil extracted, except that the rate of tax is four percent of the  
18 gross value at the well of the oil extracted that meets one of the requirements of  
19 subsection 4.
- 20 3. For oil produced from wells drilled and completed after December 31, 2008, the  
21 rate of tax is four percent of the gross value at the well of the oil extracted,  
22 including the oil extracted that meets one of the requirements of subsection 4.

