

Introduced by

Representatives Froseth, Hanson, Onstad, Streyle, Zubke

Senators Bekkedahl, Bowman, O'Connell, Unruh

1 A BILL for an Act to amend and reenact subsection 9 of section 57-51.1-03 of the North Dakota  
2 Century Code, relating to extending the date to qualify for the triggered oil extraction tax rate  
3 reduction for new horizontal wells; and to provide an effective date.

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

5 **SECTION 1. AMENDMENT.** Subsection 9 of section 57-51.1-03 of the North Dakota  
6 Century Code is amended and reenacted as follows:

7 9. The first seventy-five thousand barrels or the first four million five hundred thousand  
8 dollars of gross value at the well, whichever is less, of oil produced during the first  
9 eighteen months after completion, from a horizontal well drilled and completed after  
10 April 30, 2009, and before July 1, ~~2015~~2019, is subject to a reduced tax rate of two  
11 percent of the gross value at the well of the oil extracted under this chapter. A well  
12 eligible for a reduced tax rate under this subsection is eligible for the exemption for  
13 horizontal wells under subsection 3, if the exemption under subsection 3 is effective  
14 during all or part of the first twenty-four months after completion. The rate reduction  
15 under this subsection becomes effective on the first day of the month following a  
16 month for which the average price of a barrel of crude oil is less than fifty-five dollars.  
17 The rate reduction under this subsection becomes ineffective on the first day of the  
18 month following a month in which the average price of a barrel of crude oil exceeds  
19 seventy dollars. If the rate reduction under this subsection is effective on the date of  
20 completion of a well, the rate reduction applies to production from that well for up to  
21 eighteen months after completion, subject to the other limitations of this subsection. If  
22 the rate reduction under this subsection is ineffective on the date of completion of a  
23 well, the rate reduction under this subsection does not apply to production from that  
24 well at any time.

- 1        **SECTION 2. EFFECTIVE DATE.** This Act is effective for taxable events occurring after
- 2        June 30, 2015.