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In Support of SB 2152

House Finance and Taxation Committee

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Members of the House Finance and Taxation Committee

My name is Jeff Zueger, I am a board member of the North Dakota Ethanol Producers Association and Chief Executive Officer of Midwest AgEnergy, which operates ethanol production facilities near Underwood and Spiritwood, North Dakota.

I am here to testify in favor of SB2152 as it supports the continued advancement of CO2 sequestration in North Dakota. North Dakota has established itself as a leader in enabling and supporting the development of Caron Capture and Underground Storage and this bill will further advance projects in our state. I support Senate Bill 2152 which will ensure geologically stored CO2 is not subject to sales and use tax.

Midwest AgEnergy is currently developing a CO2 underground storage project at our Blue Flint Ethanol facility near Underwood. This bill is important to the continued development of that project as it is contemplated that our CO2 will be transacted as part of a partnership to develop our project. The CO2 transaction is simply a mechanism to separate the production of CO2 from the storage of CO2 and we believe should not be a taxable event as the CO2 is simply going to be injected into the earth as opposed to being released into the atmosphere as occurs today.

This projects like this will generate additional revenue for our and other North Dakota ethanol plants. These investments are good for farmers, communities, and North Dakota.

We appreciate the state's proactive approach to support value-added agriculture, and we believe SB 2152 is a continuation of the effort to bolster our state's rural economy.