

ANALYSIS OF THE PERMANENT OIL TAX TRUST FUND 1999-2001 AND 2001-03 BIENNIUMS

	1999-2001 Biennium	2001-03 Biennium
Beginning balance	\$0 ¹	\$12,335,840
Add estimated revenues		
Oil and gas production tax and oil extraction tax collections	\$12,335,840	\$9,152,595
Total estimated revenues	12,335,840 ²	9,152,595 ⁴
Total available	\$12,335,840	\$21,488,435
Less estimated expenditures	0 ³	0 ³
Estimated ending balance	\$12,335,840	\$21,488,435

NOTE: North Dakota Century Code (NDCC) 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 and 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 \$62 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.

¹ Beginning balance - July 1, 1999 - The general fund revenues derived from oil and gas production taxes and oil extraction taxes totaled \$43,676,727 for the 1997-99 biennium. Since revenues did not exceed the \$62 million statutory limit, no funds were transferred into the permanent oil tax trust fund on June 30, 1999.

² Estimated revenues - 1999-2001 - The revised revenue estimate for the 1999-2001 biennium projects oil and gas production tax and oil extraction tax revenues deposited in the general fund to exceed \$62 million by \$12,335,840. Therefore, there is a projected transfer of \$12,335,840 to the permanent oil tax trust fund at the end of the biennium.

³ Estimated expenditures - Pursuant to NDCC 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.

⁴ Estimated revenues - 2001-03 - The revenue forecast for the 2001-03 biennium projects sufficient oil and gas production tax and oil extraction tax revenues to transfer \$9,152,595 into the permanent oil tax trust fund.