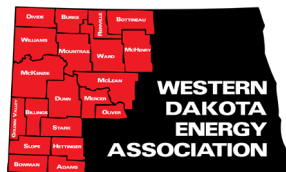


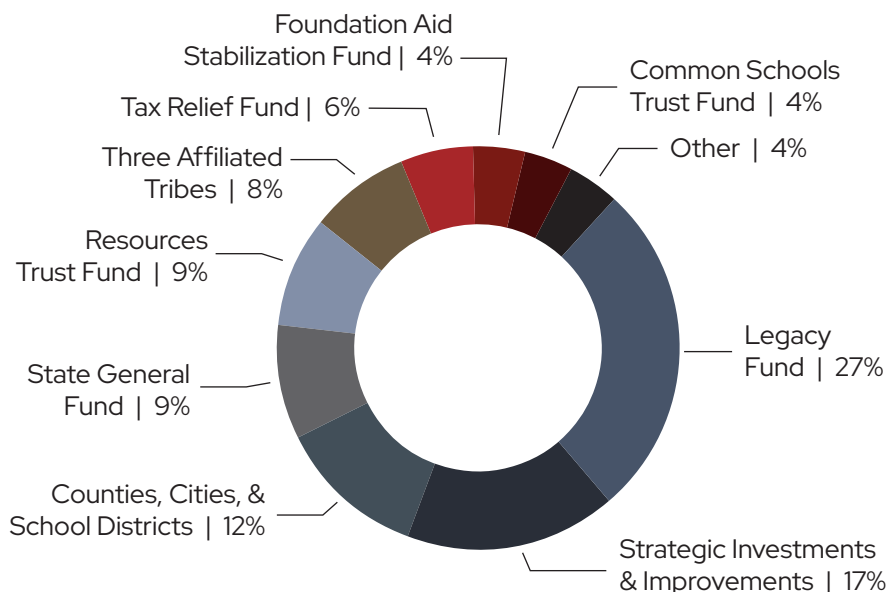
# Oil and Gas Tax Revenues



## Oil and Gas Tax Study Highlights

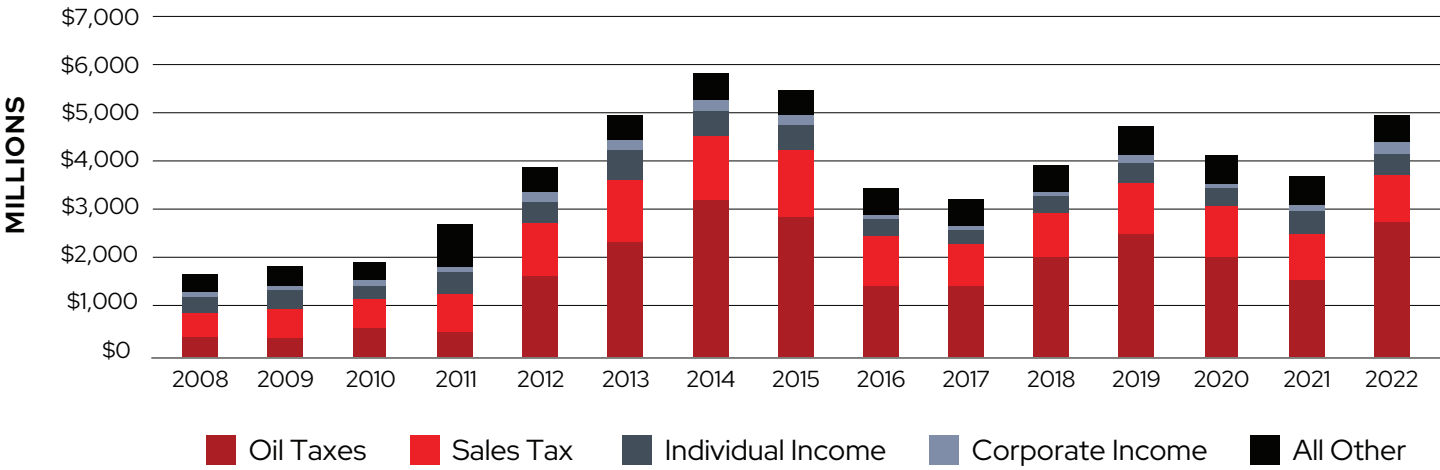
1. Oil extraction and production tax revenues are over \$26 billion for fiscal years 2008-2022.
2. In the past 5 fiscal years, oil extraction and production taxes are approximately 51% of all taxes collected by the State.
3. Since 2008, oil and gas tax revenue has provided over \$1.4 billion for water projects, \$1.8 billion for education, and an additional \$5.9 billion in funding for communities and infrastructure across the State. Oil and gas taxes also deposited \$6.9 billion into the Legacy Fund for the future of North Dakota.

## Oil and Gas Tax Distributions | 2008-2022 FY

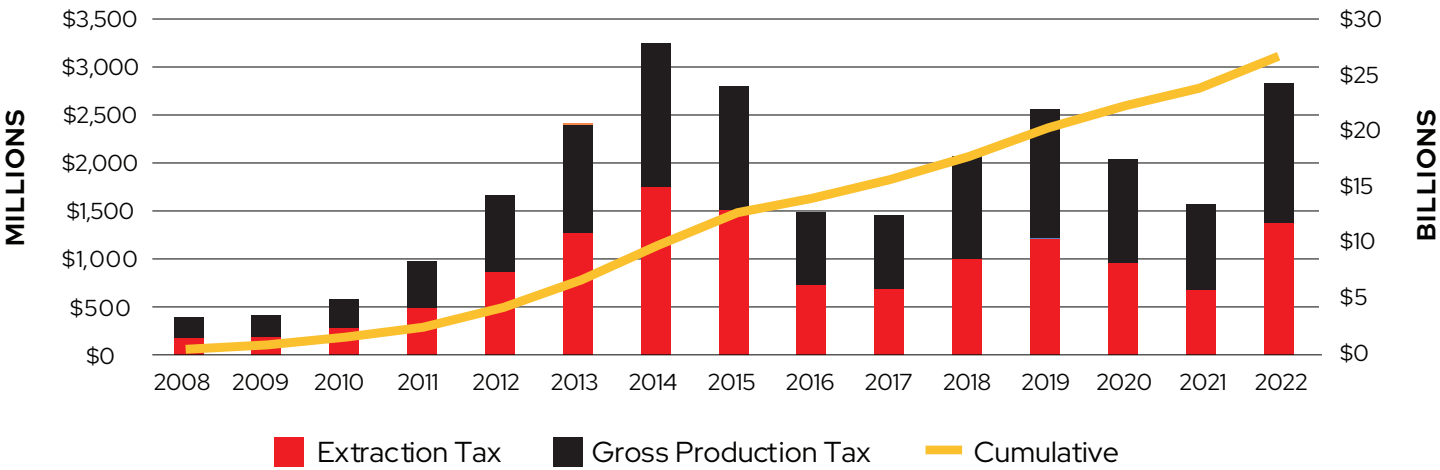


Legacy Fund	\$6,894,063,193
Strategic Investment & Improvements	\$4,527,415,100
Counties/Cities/School Districts	\$3,232,820,939
State General Fund	\$2,242,000,000
Resources Trust Fund	\$2,230,216,827
Three Affiliated Tribes	\$2,130,082,493
Tax Relief Fund	\$1,583,580,000
Foundation Aid Stabilization Fund	\$1,112,762,099
Common Schools Trust Fund	\$1,112,762,099
Other	\$931,039,947
<b>TOTAL</b>	<b>\$25,996,742,697</b>

Total Taxes Collected | 2008-2022



Oil and Gas Tax Collected | 2008-2022



Oil and Gas Tax Benefits

The entire State of North Dakota benefits from the oil and gas tax. From infrastructure investments, to education, tax relief, budget stabilization and research investments, the revenue touches every resident in the State in some way.



The **Extraction Tax** is the gross value of oil production at the well, less any part that is specifically exempt. The Extraction Tax rate is 5%, with a trigger that can adjust the rate to 6% when oil prices exceed a certain price. In 2022 the Extraction Tax brought in \$1.3 billion to North Dakota.



The **Gross Production Tax** is in lieu of property taxes assessed locally and is the gross value of oil production at the well, less any part that is specifically exempt. Since July 1, 1957, the Gross Production Tax rate has been 5.0%. This year the Gross Production Tax revenue is nearly \$1.5 billion.

In all, the Extraction and Gross Production Taxes brought approximately \$2.8 billion in fiscal year 2022 for the State. Revenue from the taxes provides financial resources to Constitutional Funds such as the Legacy Fund, Resources Trust Fund, Common Schools, and Foundation Aid.

Oil and gas tax revenue also benefit State Funds like the General Fund, Conservation Grant Fund, Renewable Energy Development Fund, Oil and Gas Research Fund, Outdoor Heritage Fund, Tax Relief Fund, Budget Stabilization Fund, Lignite Research Fund, Strategic Investment and Improvement Fund, and the Abandoned Well and Reclamation Fund.

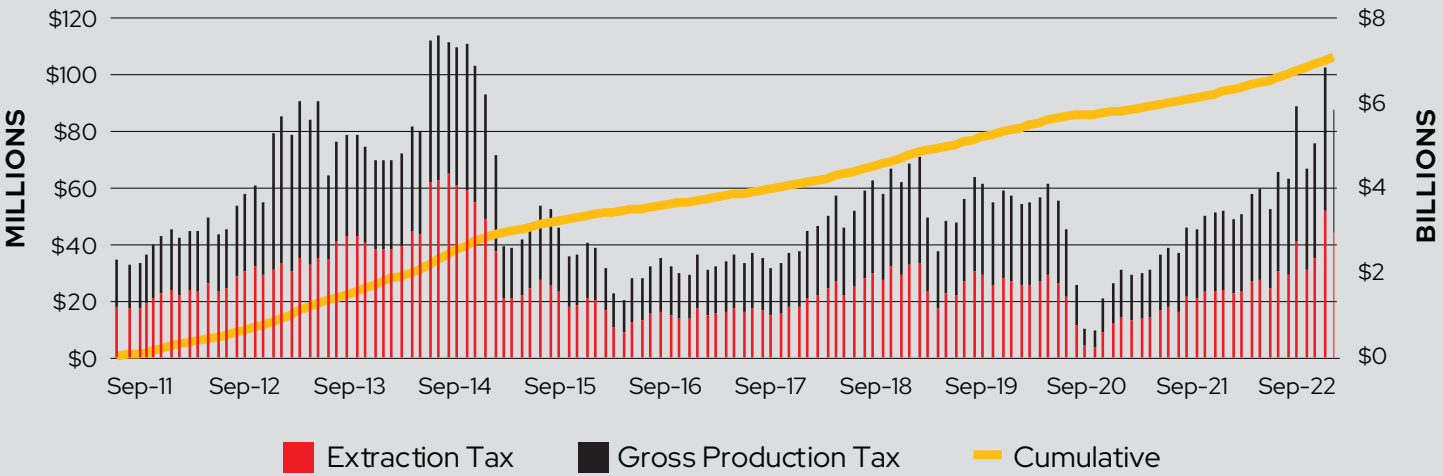
Finally, oil and gas tax revenue provide funding to Hub Cities, counties, cities, schools, townships, and Impact Grant Funds, in lieu of property tax on the oil and gas production.

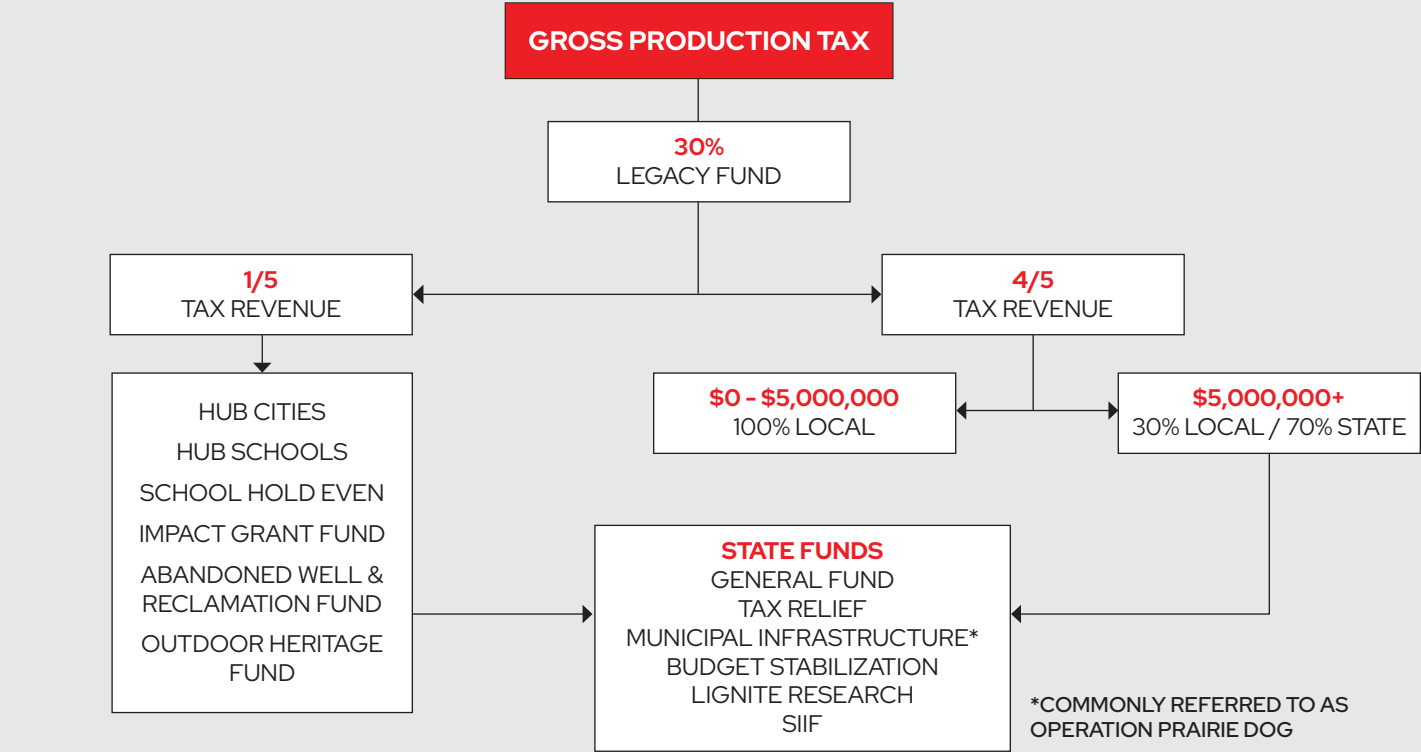
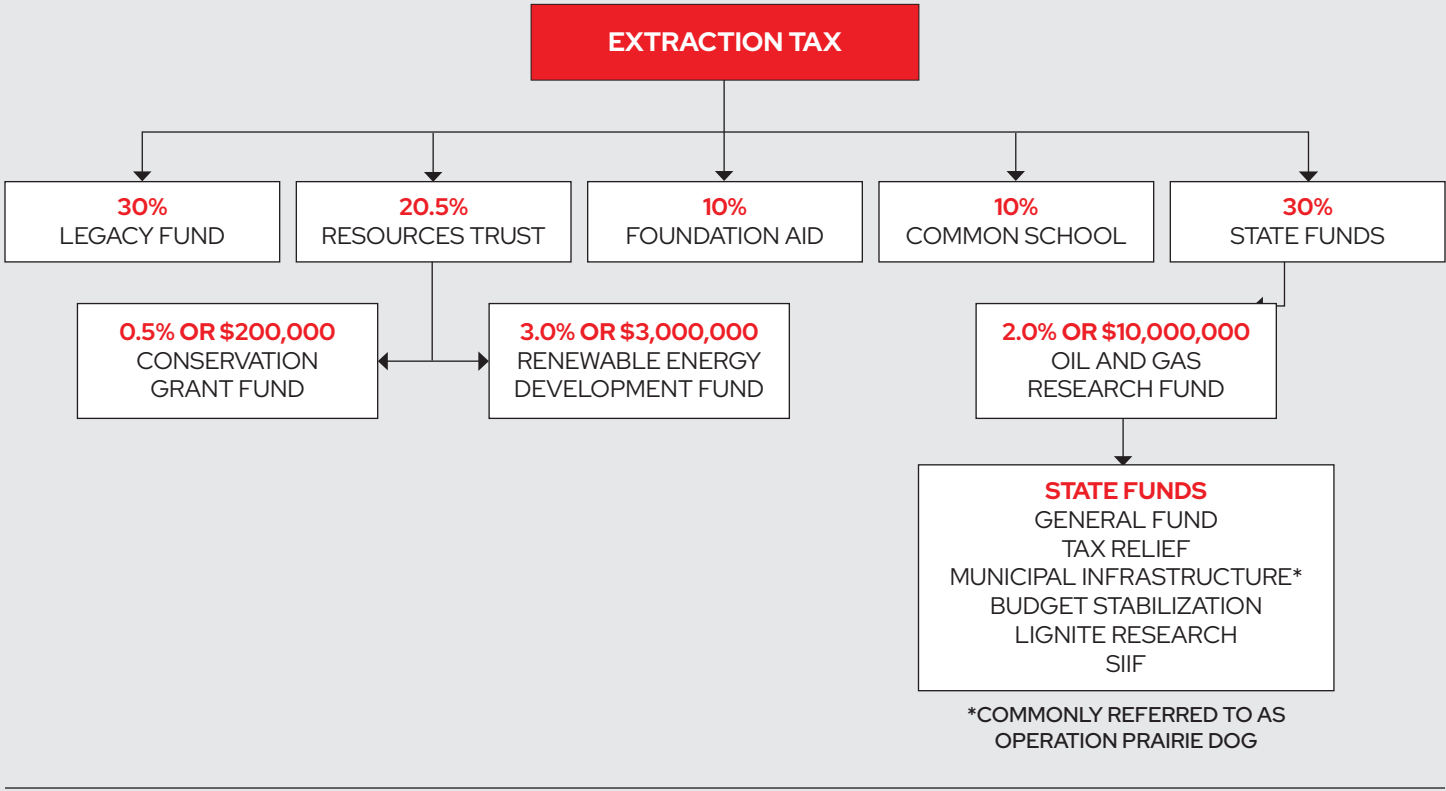


North Dakota Legacy Fund

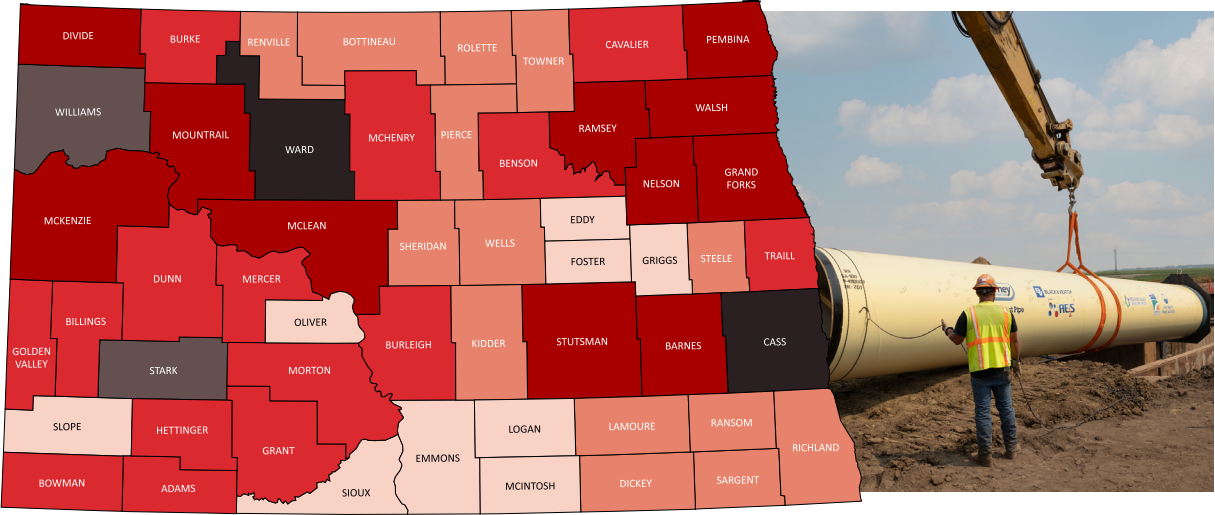
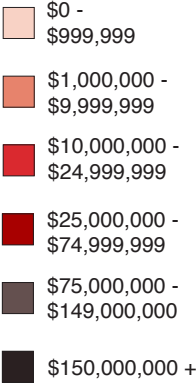
The North Dakota Legacy Fund was established as law in 2010 under Article X, Section 26 of the North Dakota Constitution. Under State law, 30% of total revenue that comes from oil and gas taxes must be transferred into the Legacy Fund. The purpose of the Legacy Fund is to create a perpetual source of revenue that comes from the taxes on oil and gas activity in the State. The principal of the Legacy Fund is invested, and earnings are transferred into the General Fund at the close of each biennium. The State’s Legislature can also transfer money from other sources to add to the Legacy Fund’s principal. No more than 15% of the Legacy Fund’s principal can be expended during each biennium. During the 2021 legislative session, lawmakers approved a \$680 million bonding package to fund infrastructure projects across the State. Projects included flood protection in Fargo and Minot, ND DOT for bridge and road projects, additional funding the infrastructure revolving loan program and the building of the NDSU Agricultural Products Development Center. By utilizing the earnings from the Legacy Fund for the bond payments the projects are funded without increases in taxes.

Legacy Fund | 2011-2022

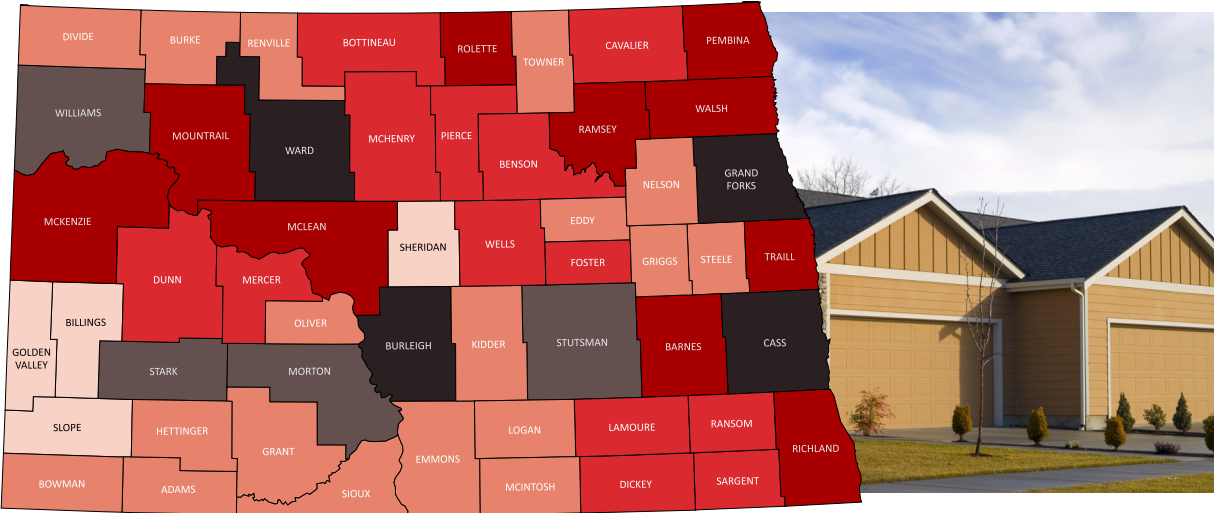
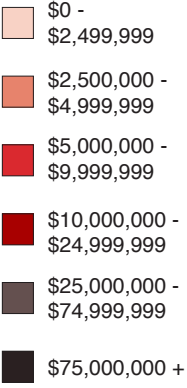




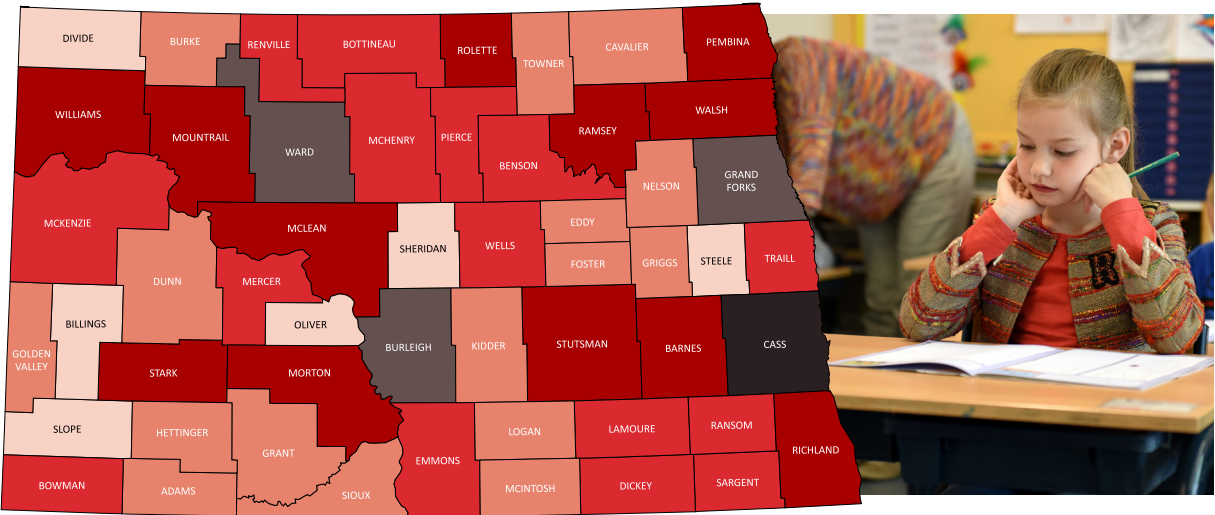
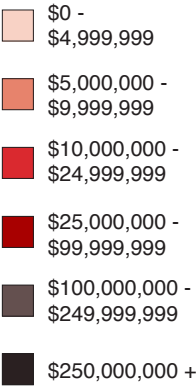
Water



Property Tax



Education



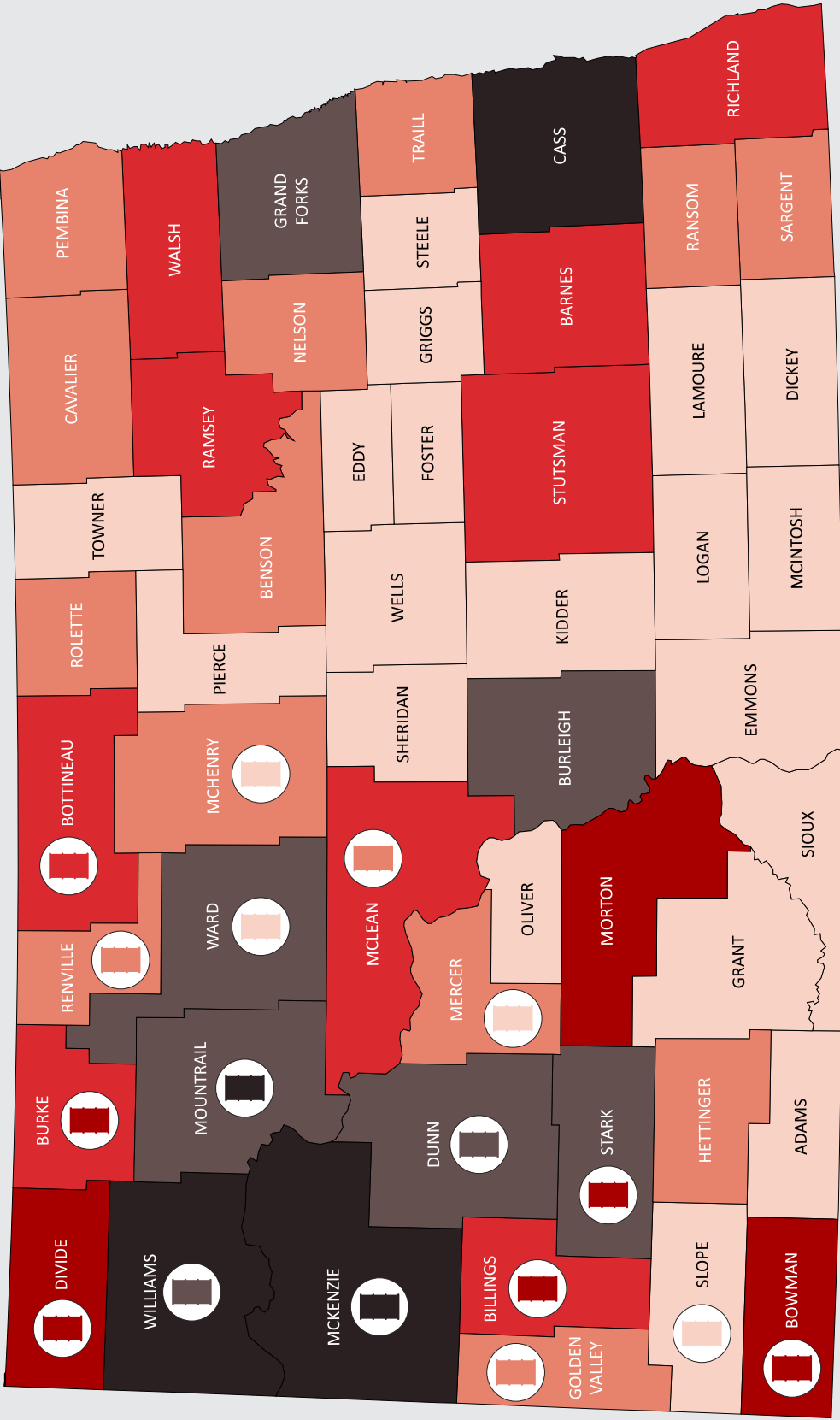


State Oil Tax Distributions by Type | Fiscal Years 2008-2022

COUNTY	PROPERTY TAX	WATER	EDUCATION	OTHER	TOTAL
Adams	\$3,285,481	\$10,921,695	\$5,154,246	\$4,130,844	\$23,492,266
Barnes	\$16,118,851	\$55,175,254	\$25,869,207	\$38,081,001	\$135,244,313
Benson	\$7123,446	\$20,181,771	\$19,620,248	\$1,172,935	\$48,098,400
Billings	\$1,734,840	\$12,704,530	\$253,669	\$101,102,901	\$115,795,939
Bottineau	\$9,852,546	\$5,217,506	\$15,866,073	\$68,295,715	\$99,231,840
Bowman	\$4,397,012	\$10,889,597	\$10,436,406	\$138,113,344	\$163,836,359
Burke	\$3,917,831	\$17811,482	\$6,711,780	\$106,349,944	\$134,791,037
Burleigh	\$122,496,469	\$12,873,891	\$206,769,912	\$12,545,167	\$354,685,438
Cass	\$236,983,398	\$364,598,904	\$375,127,705	\$117,645,027	\$1,094,355,034
Cavalier	\$7,386,168	\$13,370,672	\$8,223,593	\$2,222,026	\$31,202,459
Dickey	\$7,797,331	\$2,661,467	\$13,255,493	\$956,610	\$24,670,900
Divide	\$4,184,625	\$26,048,474	\$3,836,189	\$157,919,164	\$191,988,451
Dunn	\$6,197,006	\$18,453,028	\$7,539,248	\$467,528,771	\$499,718,053
Eddy	\$3,179,738	\$270,196	\$5,962,572	\$557,054	\$9,969,559
Emmons	\$4,961,787	\$243,737	\$11,161,621	\$1,963,365	\$18,330,510
Foster	\$5,160,265	\$9,494	\$8,605,394	\$2,947,054	\$16,722,207
Golden Valley	\$2,237,102	\$13,468,031	\$6,215,175	\$35,441,352	\$57,361,660
Grand Forks	\$95,102,958	\$60,202,261	\$147,025,171	\$239,795,304	\$542,125,695
Grant	\$3,525,155	\$10,904,926	\$5,609,354	\$1,975,551	\$22,014,986
Griggs	\$3,854,060	\$597,270	\$8,621,773	\$905,490	\$13,978,593
Hettinger	\$4,185,600	\$11,057,908	\$8,464,670	\$3,180,695	\$26,888,874
Kidder	\$3,293,809	\$1,525,592	\$6,813,455	\$473,150	\$12,106,006
LaMoure	\$6,648,179	\$3,009,493	\$12,219,146	\$2,216,052	\$24,092,871
Logan	\$2,860,851	\$942,109	\$6,996,828	\$958,140	\$11,757,927
McHenry	\$7805,551	\$12,202,095	\$18,481,280	\$5,574,654	\$44,063,580
McIntosh	\$3,585,518	\$0	\$8,023,531	\$502,764	\$12,111,813
McKenzie	\$20,419,115	\$67,059,716	\$22,395,978	\$985,342,057	\$1,095,216,866

COUNTY	PROPERTY TAX	WATER	EDUCATION	OTHER	TOTAL
McLean	\$12,835,062	\$30,775,959	\$29,099,236	\$23,969,380	\$96,679,637
Mercer	\$9,959,368	\$22,091,745	\$18,864,714	\$6,502,187	\$57,418,013
Morton	\$40,746,181	\$24,229,847	\$78,829,223	\$11,194,518	\$154,999,769
Mountrail	\$151,95,262	\$32,655,050	\$27,375,845	\$610,065,299	\$685,291,456
Nelson	\$4,767,292	\$25,236,791	\$9,583,313	\$1,627,826	\$41,215,221
Oliver	\$2,626,051	\$14,773	\$4,305,718	\$1,365,276	\$8,311,819
Pembina	\$10,835,270	\$31,015,361	\$26,714,554	\$2,118,912	\$70,684,097
Pierce	\$6,080,276	\$3,135,105	\$10,335,007	\$1,011,256	\$20,561,645
Ramsey	\$14,995,249	\$56,974,227	\$35,298,480	\$16,139,387	\$123,407,343
Ransom	\$7,892,386	\$2,255,794	\$16,848,504	\$17,526,680	\$44,523,364
Renville	\$3,731,982	\$3,132,295	\$11,169,747	\$32,681,499	\$50,715,523
Richland	\$23,606,498	\$8,938,356	\$42,466,284	\$43,751,213	\$118,762,351
Rolette	\$10,784,755	\$1,273,666	\$51,900,218	\$975,356	\$64,933,996
Sargent	\$6,493,190	\$4,572,752	\$13,558,617	\$151,516	\$25,776,075
Sheridan	\$2,036,233	\$3,484,083	\$2,909,482	\$746,134	\$9,175,931
Sioux	\$3,269,857	\$0	\$9,603,237	\$822,326	\$13,695,420
Slope	\$1,158,961	\$9,600	\$194,987	\$18,993,650	\$20,357,198
Stark	\$45,931,025	\$87,131,932	\$67,270,912	\$398,034,315	\$598,368,185
Steele	\$4,082,630	\$7,420,252	\$4,888,623	\$515,030	\$16,906,536
Stutsman	\$28,513,962	\$28,079,195	\$49,371,184	\$8,301,089	\$114,265,429
Towner	\$3,883,652	\$1144,134	\$5,050,183	\$1,345,486	\$11,423,455
Trail	\$11,617,572	\$16,633,453	\$22,481,413	\$1712,378	\$67,853,816
Walsh	\$14,781,848	\$30,727,859	\$30,844,491	\$2,089,170	\$78,443,368
Ward	\$92,945,016	\$170,135,062	\$162,400,971	\$165,039,453	\$590,520,501
Wells	\$6,667,819	\$1,225,850	\$10,427,044	\$776,284	\$19,096,996
Williams	\$56,515,751	\$82,621,390	\$76,350,588	\$1,075,404,176	\$1,290,891,903
TOTAL	\$1.04B	\$1.43B	\$1.80B	\$4.96B	\$9.22B

Where Does State Oil Tax Come from and Where Does It Go?





### Oil and Gas Tax Study Purpose

Western Dakota Energy Association (WDEA) and North Dakota Petroleum Foundation (NDPF) collaborate each biennium to develop the Oil and Gas Tax Revenue Study to review the Extraction and Gross Production Tax collections by the State of North Dakota. The study includes collections from fiscal years 2008 to 2022. The information in this document illustrates the many ways revenue from the Extraction Tax and Gross Production Tax benefit all of North Dakota and details where and how the funding has been distributed by the State Legislature.



### Oil and Gas Tax Study Methodology

Data from the following sources is utilized to develop the annual Oil and Gas Tax Revenue Study: Department of Mineral Resources, Department of Water Resources, State Tax Department, State Treasurer, Office of Management and Budget, Legislative Council, State Investment Board, Department of Public Instruction, and Department of Transportation. The Study's authors categorize project types to the best of their knowledge to describe the allocation of funds regarding project location and use of funds.



### Oil and Gas Tax Revenue Study Sponsors

WDEA is a membership organization comprised of the 20 counties, as well as cities and school districts in the oil and coal-producing regions of North Dakota. WDEA supports sustainable energy development and responsible revenue sharing for its members.

The North Dakota Petroleum Foundation's mission is to provide and support education and outreach opportunities related to the petroleum industry, develop and advance quality of life initiatives, and promote and enhance the conservation heritage of North Dakota.

A 501(c)(3) nonprofit, the North Dakota Petroleum Foundation was founded by the North Dakota Petroleum Council in 2018 to support our state and the communities in which we operate. Through outreach programs, scholarships and educational opportunities, and environmental stewardship programs, we strive to help our neighbors make our communities better places to live, work, and raise a family.

**For more information visit: [TaxStudy.NDEnergy.org](https://TaxStudy.NDEnergy.org)**

