

February 11, 2019

PROPOSED AMENDMENTS TO SENATE BILL NO. 2312

Page 1, line 1, replace the first "section" with "sections 57-51.1-02"

Page 1, line 4, remove "and"

Page 1, line 4, replace "an effective date" with "for application; and to declare an emergency"

Page 1, after line 5, insert:

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

57-51.1-02. Imposition of oil extraction tax.

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

The rate of tax is five percent of the gross value at the well of the oil extracted. However, if the average price of a barrel of crude oil exceeds the trigger price of ninety dollars for each month in any consecutive three-month period, then the rate of tax on oil extracted from all taxable wells is six percent of the gross value at the well of the oil extracted until the average price of a barrel of crude oil is less than the trigger price of ninety dollars for each month in any consecutive three-month period, in which case the rate of tax reverts to five percent of the gross value at the well of the oil extracted. By December thirty-first of each year, the tax commissioner shall determine an indexed trigger price under this section by applying to the current trigger price an adjustment equal to the percentage rate of change of the producer price index for industrial commodities as calculated and published by the United States department of labor, bureau of labor statistics, for the twelve months ending June thirtieth of that year and the indexed trigger price so determined is the trigger price for the following calendar year.

For purposes of this section, "average price" of a barrel of crude oil means the monthly average of the daily closing price for a barrel of west Texas intermediate-cushing crude oil, as those prices appear in the Wall Street Journal, midwest edition. When computing the monthly average price, the most recent previous daily closing price must be considered the daily closing price for the days on which the market is closed."

Page 2, line 17, replace "**EFFECTIVE DATE**" with "**APPLICATION**"

Page 2, line 17, replace "This" with "Sections 2 and 3 of this"

Page 2, line 17, replace "is" with "are"

Page 2, after line 20, insert:

"SECTION 5. EMERGENCY. Sections 2 and 3 of this Act are declared to be an emergency measure."

Renumber accordingly