



STATE OF NORTH DAKOTA  
**OFFICE OF STATE TAX COMMISSIONER**

Cory Fong, Commissioner

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**GAS TAX RATE NOTICE**

**TO:** North Dakota Gas Producers and Purchasers  
**FROM:** Office of State Tax Commissioner  
**SUBJECT:** Notification of Gas Tax Rate for Fiscal Year 2012  
**DATE:** June 1, 2011

In keeping with the provisions of North Dakota Century Code § 57-51-02.2, the Tax Commissioner has determined that the gas tax rate for the fiscal year beginning July 1, 2011, through June 30, 2012, is \$.1112 per mcf. The gross production tax on gas produced during this time period must be calculated by taking the taxable production in mcf times the \$.1112 tax rate.

For your information, the gas tax rate for fiscal year 2012 was determined by the following steps:

STEP 1 -The annual average of the gas fuels producer price index, commodity code 05-3, as published by the U.S. Department of Labor, Bureau of Labor Statistics, for calendar year 2010 was computed from the data shown below.

January	262.9
February	250.0
March	224.6
April	197.7
May	198.6
June	198.2
July	208.1
August	209.8
September	185.3
October	193.1
November	184.4
December	<u>213.3</u>
Annual Average	210.5

STEP 2 -A gas base rate adjustment of 2.7807 was computed by dividing the annual average price index by the denominator specified in the statute, i.e. 210.5 divided by 75.7.

STEP 3 -The gas tax rate of \$.1112 was computed by multiplying \$.04 times the gas base rate adjustment of 2.7807, with the resultant rounded to four places after the decimal.

The gas tax rate is also published on the Office of State Tax Commissioner's website located at: [www.nd.gov/tax](http://www.nd.gov/tax). If you have any questions regarding this notification, please contact the Oil and Gas Tax Section at 701.328.3657 or by email at [oiltax@nd.gov](mailto:oiltax@nd.gov).