



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 2010**  
**DATE: June 1, 2009**

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, 2009, through June 30, 2010, is \$.1831 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 \$.1831 gas tax rate.

For your information, the gas tax rate for fiscal year 2010 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 2008 was computed from the data shown below.

January	318.3
February	339.5
March	366.9
April	386.5
May	433.4
June	451.9
July	494.4
August	367.9
September	323.7
October	252.8
November	206.8
December	<u>215.5</u>
Annual Average	346.5

STEP 2 - A gas base rate adjustment of 4.5773 was computed by dividing the annual average price index by the denominator specified in the statute, i.e., 346.5 divided by 75.7.

STEP 3 - The gas tax rate of \$.1831 was computed by multiplying \$.04 times the gas base rate adjustment of 4.5773, 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 web site 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).