North Dakota is the second-largest energy-producing state in the nation offering opportunities in oil and gas, coal and alternative energy production. North Dakota is a proactive producer and serves as a model in fostering innovative, long-term strategies to meet our nation’s growing energy demand. The state strives with an “all of the above” approach in the development of its wide-ranging energy sector while meeting the need for energy security in an environmentally responsible manner. North Dakota offers a comprehensive package of incentives to stimulate growth in all energy sectors and creates a broad-based energy strategy that maximizes the state’s resources.

**ENERGY DEVELOPMENT INCENTIVES**

**Property Tax Exemptions**
- Up to five-year property tax exemption. Additional five years available for agricultural processors or projects located on property leased from a governmental entity.
- Payment in lieu of a property tax exemption, in full or part. A company may negotiate a fixed or graduated rate for a period not to exceed 20 years. A privilege tax may be applied to coal conversion facilities.
- Exemptions on all personal property from property taxation except that of certain oil and gas refineries and utilities.

**Corporate Tax Exemptions**
- Five-year corporate income tax exemption for new or expanding primary sector business.

**Sales Tax Exemptions**
- Sales and use tax exemptions on manufacturing and processing equipment.
- Sales and use tax exemptions may be granted for purchasing tangible personal property used to construct or expand electrical generating facilities, gas or liquefied natural gas processing facilities or oil refineries.
- Sales and use tax exemptions may be granted for purchasing tangible personal property used for carbon-dioxide enhanced oil or gas recovery, to extract or process by-products from coal gasification and to produce coal from a new mine.
ENERGY HIGHLIGHTS

Financial Incentives
- North Dakota Development Fund – Gap financing loan and equity program.
- Bank of North Dakota PACE Program – Interest buy down program.
- Bank of North Dakota Match Program – Loans at U.S. Treasury yield rate +0.25% to businesses other than retail that create new wealth, provide jobs and demonstrate considerable financial strength.

Job Training Programs
- One-stop job training assistance – Both state and federal programs available for businesses.
- New Jobs Training Program – Grant program utilizing employee withholding tax.

SUPPORTING INFRASTRUCTURE

29,023 Miles of Pipeline
- 17 major crude oil pipelines, including Enbridge, Keystone, Tesoro and Dakota Access
- Nine natural gas pipelines, including Alliance, Northern Border and WBI Energy
- Four product pipelines, including Cenex, Kinder Morgan Cochin, Magellan, NuStar Energy

North Dakota Port Services Inc.
Serviced by BNSF
- Adjacent to mainline switch yard
- Daily service and highway access
- Fully operational intermodal facility with LNG capacity

Electrical Capacity
- More than 45 million megawatt hours of electricity generated annually
- More than half of state’s generated electricity is exported

North Dakota has abundant wind resources. In 2019, the state ranked ninth in the nation in installed capacity and fourth in the share of electricity generated from wind. As of September 2020, the state ranks sixth in the nation in utility-scale generation.

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