

Coal Conversion Facility Privilege Tax

- Coal Gasification Plants -

(North Dakota Century Code ch. 57-60)
Effective after December 31, 2009

Report for month of _____, 20 ____

For gasification plant located in the County of _____

Plant Owner _____ FEIN _____ Name of Plant _____

Address _____ City _____ State _____ Zip Code _____

Individual to whom questions concerning this report should be directed:

Name _____ Title _____ Phone No. _____

Email Address _____

Address (if different from above) _____

Please complete Schedules A and B on back before proceeding. (See instructions.)

Tax Computation Schedule

1. Tax before limited exemptions (Schedule A line 18 or Schedule B line 3, whichever is greater) \$ _____
2. Date of first taxable production from the facility _____
3. Exemption from state portion: line 1 multiplied by .85 (85%) (effective for 5 years from date on line 2) \$ _____
4. Duration of exemption granted by county, if any (may not exceed 5 years) _____
5. Exemption percentage granted by county (may not exceed 15 percent)..... _____
6. Exemption from county portion (line 1 multiplied by line 5)..... \$ _____
7. Tax Due (line 1 less lines 3 and 6) \$ _____

Signature of Authorized Person _____ Title _____

_____ Date _____

Please Do Not Write In This Space

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Schedule A

Gross Receipts Calculation

1. Gross receipts from sale of synthetic natural gas \$ _____
2. Gross receipts from sale of byproducts \$ _____
3. Total gross receipts (line 1 plus line 2)..... \$ _____
4. Total synthetic natural gas produced during month (mcf) _____
5. Synthetic natural gas used within the plant (mcf) _____
6. Synthetic natural gas available for sale (mcf) (line 4 minus line 5)..... _____
7. Monthly volume in mcf (see instructions) _____
8. Gross receipts from sale of byproducts (line 2) \$ _____
9. Gross receipts from sale of carbon dioxide for use in enhanced recovery of oil
or natural gas \$ _____
10. Gross receipts from sale of taxable byproducts (line 8 minus line 9)..... \$ _____
11. Line 3 multiplied by .20 (20%) \$ _____
12. Adjusted gross receipts from sale of byproducts (line 10 minus line 11)
If line 11 is greater than line 10, enter zero \$ _____
13. Adjusted gross receipts (line 1 plus line 12) \$ _____
14. Statutory price per mcf (line 13 divided by line 6) \$ _____
15. Taxable mcf (line 6 or line 7, whichever is less)..... _____
16. Taxable gross receipts (line 15 multiplied by line 14) \$ _____
17. Tax rate on gross receipts 0.041
18. Tax on gross receipts (line 16 multiplied by line 17)..... \$ _____

Schedule B

Production Calculation

1. Taxable synthetic natural gas (mcf) (Schedule A line 6 or line 7, whichever is less) _____
2. Tax rate per mcf of synthetic natural gas \$ 0.135
3. Tax on synthetic natural gas (line 1 multiplied by line 2)..... \$ _____

Coal Gasification Plant Tax Form - Instructions

North Dakota Century Code ch. 57-60 requires each plant which produces synthetic natural gas, methanol, or other principal commercial gaseous or liquid products from coal and which uses or is designed to use over five hundred thousand tons (453, 592.37 metric tons) of coal per year to file a monthly report and remit tax at the rate of four and one tenth percent of the taxable gross receipts derived from such facility for the preceding month, or at the rate of thirteen and one-half cents on each one thousand cubic feet (28,316.85 liters) of taxable synthetic natural gas produced for sale, whichever is greater. The report, with appropriate tax, is to be filed in the Office of State Tax Commissioner at the State Capitol, Bismarck, North Dakota, within twenty-five days after the end of the month for which it is made.

A separate report is required for each county in which a coal gasification plant is located. If two or more units are located within the same county, a separate report is required for each unit.

Schedule A

- Line 1: Report **Total** gross receipts derived from the sale of synthetic natural gas. Do not make any statutory deductions on this line.
- Line 2: Report **Total** gross receipts from sale of byproducts. Do not make any statutory deductions on this line.
- Line 4: Report the thousands of cubic feet (mcf) of synthetic natural gas produced during the month. Report mcf on a basis of 14.73 psia at a temperature of 60°F. Do not make any statutory deductions on this line.
- Line 5: Report the mcf of synthetic natural gas that were consumed internally by the plant. Report mcf on a basis of 14.73 psia at a temperature of 60°F. Do not make any statutory deductions on this line.
- Line 6: Line 4 less line 5. This figure should correspond with the net production as measured at the tailgate of the gasification plant.
- Line 7: Attach schedule showing daily volumes in mcf and also showing daily volumes with all daily volumes above 110,000 mcf converted to 110,000 mcf. Enter the monthly total including converted volumes on line 7.
- Line 12: Subsection 7 of N.D.C.C. § 57-60-01 as amended by Senate Bill No. 2299 of the 2001 North Dakota Legislature states:
- “ ‘Gross receipts’ means all revenue valued in money, whether received in money or otherwise, derived by a coal conversion facility subject to the provisions of this chapter from the production of products of a coal conversion facility, but not including any revenue derived from transportation, transmission, distribution, or other events which occur after completion of the process of production of the products of the facility. For the purpose of computing the tax imposed by this chapter, ‘gross receipts’ does not include:
- a. Any financial assistance, whether in the form of price guarantee payments or otherwise, provided by the federal government or any agency of the federal government;
 - b. Any revenue derived from the sale of byproducts as herein defined to a maximum of twenty percent of the gross receipts as defined in this subsection;
 - c. Any revenue derived from the sale and transportation of carbon dioxide for use in the enhanced recovery of oil or natural gas; or . . .”
- Line 15: Subsection 1 of N.D.C.C. § 57-60-02 states:

“For all coal conversion facilities, except as otherwise provided in this section, the tax is measured by the gross receipts derived from such facility for the preceding month and is in the amount of four and one-tenth percent of such gross receipts. For purposes of this subsection, ‘gross receipts’ of a coal gasification plant do not include any amount that is received by the operator of the plant for production of synthetic natural gas in excess of one hundred ten million cubic feet per day. Gross receipts derived from the sale of a capital asset are not subject to the tax imposed by this subsection.”

Coal Gasification Plant Tax Form - Instructions

Tax Computation Schedule

Line 1: Subsection 4 of North Dakota Century Code § 57-60-02 states:

“For coal gasification plants the tax is the greater of either the amount provided in subsection 1 or thirteen and one-half cents on each one thousand cubic feet (28,316.85 liters) of synthetic natural gas produced for the purpose of sale but not including any amount of synthetic natural gas in excess of one hundred ten million cubic feet per day.”

Line 3: Subsection 5(a) of N.D.C.C. § 57-60-02 states:

“For all coal conversion facilities, other than electrical generating plants, the production from the facilities is exempt from eighty-five percent of the tax imposed by this section for a period of five years from the date of first taxable production from the facility or for a period of five years from April 20, 1987, whichever is later. The operator of each facility applying for exemption under this subsection shall certify to the tax commissioner the date of first taxable production of the facility.”

Lines 4-6: Subsection 5(b) of N.D.C.C. § 57-60-02 states:

“The board of county commissioners may, by resolution, grant to the operator of a coal conversion facility, other than an electrical generating plant, located within the county a partial or complete exemption from the remaining fifteen percent of tax imposed by this section for a period not exceeding five years from the date of the first taxable production from the facility. Notwithstanding the provisions of section 57-60-14, any tax collected which is based upon the production of a facility subject to the exemption provided by this subsection must be allocated entirely to the county for allocation as provided in section 57-60-15.”