



54TH BIENNIAL REPORT

For the biennial period of
July 1, 2017 through June 30, 2019



NORTH DAKOTA

RYAN RAUSCHENBERGER
TAX COMMISSIONER

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EXECUTIVE SUMMARY

The Office of State Tax Commissioner continually strives to provide prompt, accurate and courteous service to taxpayers while promoting compliance with the tax laws of North Dakota. North Dakota is one of only three states where the position of Tax Commissioner is an elected office. I was elected North Dakota's twenty-fifth Tax Commissioner in 2014. I am proud to serve the citizens of North Dakota and honored to work with the dedicated and professional staff of the Office of State Tax Commissioner.

We are the primary revenue collection agency for the state. During the 2017-19 biennium, the agency collected over \$8 billion in tax revenue. To put that in a historical context, tax collections totaled \$3.8 billion just a decade ago during the 2007-09 biennium. More than 85 percent of all state general fund revenue is collected by our agency. The Office of State Tax Commissioner collects and administers more than 30 different taxes types. Some taxes are local taxes administered on behalf of political subdivisions, such as city and county sales, occupancy, and restaurant and lodging taxes. Other taxes, such as electric transmission line, coal severance, and telecommunications, are collected by the state in lieu of property taxes and allocated back to counties to provide an important source of revenue for local governments.

For each tax we administer, we provide education and guidance to help taxpayers understand their filing requirements, conduct discovery work to ensure taxpayers are complying with the law, conduct audits to verify that taxpayers are paying the correct amount, process returns, and above all provide excellent service to the taxpayers of North Dakota.

During the 2017-19 biennium, as a result of the U.S. Supreme Court decision in *South Dakota v. Wayfair, Inc.*, the Office of Tax Commissioner was able to administer state and local sales and use tax on remote sellers – sellers without a physical presence in the state – for the first time. This additional work was undertaken with existing staff and at minimal extra cost to the state, and has resulted in over 4,800 applications for new sales tax permits, as well as sales tax collections in excess of \$17 million during the 2017-19 biennium. The state's administrative efforts relative to the *Wayfair* decision continues in the 2019-21 biennium enhancing revenues and growing sales tax applicants.

The number of oil and gas reports processed by our agency continues to increase, as the pace of oil and gas production in the state continues to break new records. For each producer or purchaser of oil and gas produced in North Dakota, a monthly report is filed with our office. During the 2013-15 biennium, the number of well entries processed was 852,436. By the 2017-19 biennium, that number had grown to 1,256,972, an increase of 47%. This growth in well entries processed by our Oil and Gas Section was also undertaken without additional staff, using automation and achieving efficiencies.

The increase in the number of taxpayers and returns processed signals a growing, vibrant economy for North Dakota. For our office, that increase translates into additional workload in the form of processing returns, accounting for payments, issuing refunds, and conducting audits and compliance activities. Our dedicated and experienced staff continue to meet the growing workload while we have reduced the number of staff during the 2017-19 biennium.

During the 2017-19 biennium, the Office of State Tax Commissioner was authorized 136 full-time positions. Due in part to our continuous efforts to be innovative and efficient, 10 of those positions were left unfilled during the biennium. Through the use of technology, we have been able to maintain our level of service to taxpayers while reducing the number of staff, even as the level of activity has grown. Over the past twenty years, we have reduced the number of staff employed by the Office of State Tax Commissioner by nearly 20 percent.

In the 2017-19 Biennial Report of the Office of State Tax Commissioner you will find information regarding how our office is structured, our statutory duties, and how we strive to serve the taxpayers of this great state. There is also a variety of useful data regarding the different tax types we administer.

As the level of business activity continues to grow in our state, we continue to look for ways to respond to the growing demands by improving how we do business, and above all, working diligently to fulfill our mission – to fairly and efficiently administer the tax laws of North Dakota, while providing exceptional service to our taxpayers.



Ryan Rauschenberger
Tax Commissioner

POWERS & DUTIES OF TAX COMMISSIONER

[Explore the Powers & Duties of the Tax Commissioner at www.nd.gov/tax.](http://www.nd.gov/tax)

MISSION STATEMENT

To fairly and effectively administer the tax laws of North Dakota.

VISION STATEMENT

To provide exceptional service while enhancing compliance with the tax laws of North Dakota.

CORE VALUES

Deliver Results • Respect Ideas • Innovate • Value All • Excel at Service

FUNCTIONS & RESPONSIBILITIES OF THE OFFICE OF STATE TAX COMMISSIONER'S DIVISION

The Office of State Tax Commissioner is comprised of six separate divisions. The following provides more insight into the roles and responsibilities of each of these divisions.

COMMISSIONER'S DIVISION

The Commissioner's Division is responsible for the general administration of the agency. It also serves as the agency's primary research arm, manages its personnel and communication functions, and conducts studies as assigned by the commissioner on tax-related matters.

TAX COMMISSIONER

The Tax Commissioner is the chief administrator of the agency, the final arbiter of its policies and serves on boards related to the Office of State Tax Commissioner.

The commissioner serves as the secretary of the State Board of Equalization, which certifies tax assessments for public utilities whose properties lie within several taxing districts and is responsible for determining the tentative valuation of those properties. The commissioner also oversees studies on real estate assessments done by the Office of State Tax Commissioner, which the State Board of Equalization may use in equalizing property tax assessments between counties and taxing districts.

The Tax Commissioner is a voting member of the Multistate Tax Commission, which through the cooperation of its member states, enhances the ability of state revenue agencies to enforce compliance with tax laws applying to multi-state businesses.

INFORMATION MANAGEMENT & TECHNOLOGY DIVISION

The Information Management and Technology Division is responsible for maintaining the operational infrastructure of the agency and includes two sections: Information Technology and Tax Processing.

The Information Technology Section is responsible for supporting an integrated tax system (Gentax® and the onsite support staff) and all other software programs used throughout the agency; developing strategies for implementation of tax legislation, electronic filing, security of federal and state data, technical support for the agency's website and intranet; and supporting the PCs and peripheral devices used in the agency.

The Tax Processing Section is responsible for processing all incoming and outgoing mail, printing, validating, imaging, data entry, and storage of all tax records. They are also responsible for developing specifications for the software developer community to produce high quality tax preparation software products.

LEGAL DIVISION

The Legal Division provides legal advice and counsel to all divisions within the Office of State Tax Commissioner and the State Board of Equalization. The division responds to inquiries from the commissioner, staff, legislators, state and local leaders, and citizens, and prepares opinions on tax questions. They conduct formal hearings before the Tax Commissioner or designated representative and represent the Office of State Tax Commissioner and the State Board of Equalization in litigation brought by or against them.

The Legal Division assists in the legislative process, drafting bills to be presented, assisting legislative committees by providing information on legislative proposals, and participating in the hearing process. They assist in interpreting new or amended laws and aid the agency and Tax Commissioner in the implementation of those laws. They also review and

draft agency administrative rules under the provisions of the Administrative Agencies Practice Act, coordinate the approval of those rules by the Attorney General, and file them with the Legislative Council. The staff attorneys also analyze federal tax proposals and the impact they may have on state tax laws.

FISCAL MANAGEMENT DIVISION

The Fiscal Management Division oversees business transactions, directing and monitoring accounting and financial reporting systems, as well as providing budget and fiscal oversight, procurement and administrative support functions, and prepares reports and financial statements for management information and auditing purposes.

The Fiscal Management Division establishes and implements accounting policies and procedures to ensure compliance with Office of Management and Budget (OMB) policies and guidelines, generally accepted accounting principles, and governmental accounting standards. It also coordinates annual audits conducted by the State Auditor's Office, and the periodic banking audits conducted by the Bank of North Dakota.

TAX ADMINISTRATION DIVISION

The Tax Administration Division consists of eight sections. These sections maximize taxpayer compliance with North Dakota tax laws, assist in return processing, perform audits, and collect delinquent taxes. The division publicizes tax rules and regulations, issues administrative rulings, recommends tax law changes, designs and revises tax forms and instructions, and monitors litigation.

CORPORATE INCOME TAX

The Corporate Income Tax Section administers income tax that is imposed on corporations doing business in this state and focuses on conducting audit reviews. In order to provide as much audit coverage as possible, the Corporate Income Tax Section relies, in part, on the Multistate Tax Commission's cooperative program to perform field audits on the state's behalf. Additionally, the section investigates data from various sources to identify entities that have failed to report and remit taxes due.

In addition to audit functions, the section also provides taxpayer assistance on questions of tax policy, reviews refund requests, filing issues, and billing questions, as well as administers the division's Voluntary Disclosure Agreement program for income taxes.

INDIVIDUAL INCOME TAX AND WITHHOLDING

The Individual Income Tax and Withholding Section administers the state's income tax law for individuals, partnerships, S-corporations, estates and trusts. The section conducts audit reviews of taxpayer returns and requests for refunds, as well as investigates data from various sources to identify individuals and entities that have failed to report and remit taxes due.

The section works to attain compliance from employers responsible for withholding income tax from employees and small businesses responsible for remitting information returns. The section administers the oil and gas royalty withholding requirements on nonresidents.

SALES AND SPECIAL TAXES COMPLIANCE

The Sales and Special Taxes Compliance Section administers state and local sales taxes, local lodging, restaurant, and motor vehicle rental taxes, music and composition tax, cigarette and tobacco taxes, alcohol taxes, and provider assessment for intermediate care.

The section investigates data from various sources and implements projects to identify entities that have failed to report and remit taxes due. Projects and processes include field visitation, special events, nexus and discovery, voluntary disclosure program, and Canadian customs review.

SALES AND SPECIAL TAXES AUDIT

The Sales and Special Taxes Audit Section conducts field and office audits of sales and use taxes, local lodging, restaurant and motor vehicle rental taxes, fuel taxes, cigarette and tobacco taxes, and wholesale alcohol beverage taxes. At the completion of every audit, the auditor's responsibility is to educate the taxpayer, so any error identified during the review can be corrected. The section also uses the Multistate Tax Commission's cooperative program to perform field audits on the state's behalf. In addition to audit work, the section participates in special projects, assists in taxpayer education and compliance functions.

MOTOR FUELS, OIL & GAS, AND ESTATE TAXES

This section administers motor fuel taxes, which consist of motor vehicle fuel, special fuel, liquefied petroleum and aviation fuel taxes; oil and gas taxes, which consist of oil and gas gross production tax and oil extraction tax; and estate tax.

Motor Fuels

The Motor Fuels Tax processes refunds submitted by railroad, agricultural, and industrial consumers that use fuel in unlicensed equipment for off-road purposes. The group also processes refunds for fuel used in emergency medical services operation vehicles; administers the Motor Fuel Tribal Agreements for the four Tribes in the state; and assists the Highway Patrol in conducting fuel inspections and processing violation notices for the dyed fuel program.

Oil and Gas

The Oil and Gas Tax group performs compliance reviews and audits of oil and gas companies conducting business in the state. The group provides administration of the Oil and Gas Agreement with the Three Affiliated Tribes for oil production on the Fort Berthold Reservation.

Estate

The Estate Tax group collects, and processes estate information based on federal reporting guidelines and information. The section requests information from the estate for verification when tax is due, or a refund is requested, and requests estate tax closing letters from the IRS.

COLLECTIONS

The Collections Section is responsible for collecting delinquent taxes, and works with the Legal Division for potential civil or criminal legal action. The section refers accounts only in those cases where the taxpayer fails to respond to collection attempts. Taxpayers are always given ample notice and opportunity to comply with requests for payment of taxes.

REGISTRATION

The Registration Section is responsible for interpreting and enforcing statutes by determining licensing requirements, determining compliance and corporate officer liability bond amounts, establishing filing frequency requirements, and managing taxpayer demographic information.

The Registration Section also serves as the first point of contact for questions related to the Taxpayer Access Point (TAP) system, which is the online portal for filing returns for sales and use tax, local restaurant and lodging tax, and income tax withholding. Another primary duty of the section is to examine and process refunds of sales tax to Canadian residents.

TAXPAYER SERVICES

The Taxpayer Services Section is responsible for the administration of tax rules by processing edit checks and business rules on tax returns across multiple tax types. Providing education to taxpayers is also a crucial part of the section to prevent taxpayers from making the same errors in the future.

The Taxpayer Services Section also reviews and evaluates repetitive problems that exist and initiate new edit checks or business rules to mitigate them. This includes communication with vendors to ensure their software is compliant with agency standards and requirements. Another primary function is to identify and prevent fraudulent refunds and to ensure that tax data and information collected is accurate and complete prior to issuing refunds or credit offsets to other state agencies. Through this process, staff members will often identify potential audit situations that will be referred to the appropriate audit section within the agency.

PROPERTY TAX DIVISION

The Property Tax Division, under the direction of the State Supervisor of Assessments, provides assistance to local government units to ensure that the property tax is administered equitably throughout the state. Property tax is administered at the local level and is an important source of revenue for financing school districts and county, city and township government.

In conjunction with the work of the State Board of Equalization, the division performs annual ratio studies, which compare true and full value of real estate with the sale price of properties which have been sold, and then if needed, takes steps to equalize those assessments under the board's direction. They also assist the Tax Commissioner and the State Board of Equalization in making valuations of utility property. Most real property is assessed by local government. However, the property of railroads, airlines, public utilities such as electric and gas companies, and pipeline companies is assessed at the state level.

The State Supervisor of Assessments has the statutory responsibility to certify that assessors and county directors of tax equalization have met minimum requirements. The certification process is administered by the Property Tax Division. The division also conducts education for local government officials to improve administration of property tax and property tax appraisal by organizing courses for assessors and other local tax officials.

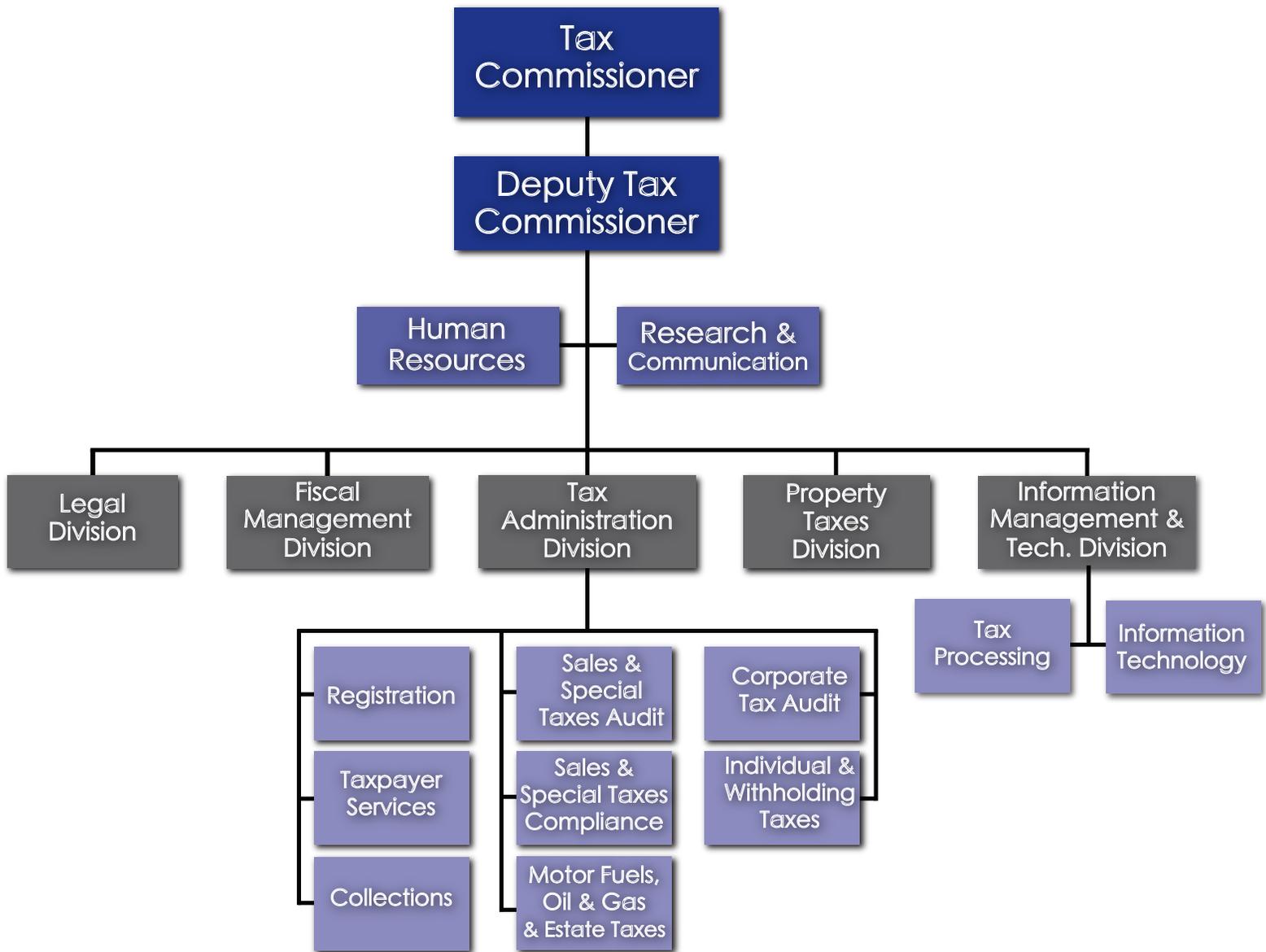
Annually, the division certifies to county directors of tax equalization the average true and full agricultural value of farmland, as determined by North Dakota State University. It is this value on which the counties base their assessments of agricultural property.

The Property Tax Division calculates and collects electric generation, distribution, and transmission taxes. The State Treasurer distributes those taxes to the political subdivisions.

The division also administers state severance tax on coal and the coal conversion privilege tax on electrical generating plants and coal gasification plants. The section audits reports of collections of these energy-related taxes and prepares reports on the collection of these taxes and information for revenue distribution by the State Treasurer's Office, which is responsible for allocating revenue from these taxes among the state, the counties where the mines and plants are located, and a permanent Coal Development Trust Fund.

The division also administers the Homestead Credit and Renter Refund Program under which qualifying senior citizens and disabled persons receive a reduction of their property tax assessment or a partial refund of annual rent paid. They also administer the Property Tax Credit for Disabled Veterans which provides a property tax credit for the homestead of a disabled veteran with at least 50 percent service-connected disability.

AGENCY ORGANIZATIONAL CHART



FUTURE DIRECTIONS

Legislation enacted during the 2019 Legislative Session impacts the administration of some of North Dakota's major taxes during the 2019-2021 biennium and in the years beyond. The following summarizes this legislation.

TRIBAL AGREEMENTS

Legislation was enacted authorizing the governor, in consultation with the tax commissioner, to enter into an agreement with any, or all, of the five North Dakota Indian Tribes for the administration of tribal wholesale taxes on cigarette, tobacco, and alcoholic beverages and gross receipts tax on retail sales of alcoholic beverages. Any tribe choosing to enter into an agreement will be required to impose all three taxes: wholesale cigarette and tobacco tax, wholesale alcohol tax, and alcoholic beverage gross receipts tax. All taxes must be identical to the state's taxes. Transactions will be taxed or exempted in the same manner as off the reservation with only one single tax applying to taxable transactions, so dual taxation will not occur.

Separate legislation was enacted authorizing the governor, again in consultation with the tax commissioner, to enter into an agreement with any, or all, of the Tribes to administer a tribal sales tax.

Under both agreements, the tribe and the state will share in the revenue in a manner set forth in the legislation.

MARKETPLACE FACILITATOR LEGISLATION AND CONTINUING ADMINISTRATION OF SUPREME COURT DECISION REGARDING REMOTE SELLERS

Legislation was enacted that defined marketplace facilitator and required out-of-state marketplace facilitators to collect sales and use tax on all North Dakota sales made through the facilitator's marketplace. Marketplace facilitators are required to collect the tax if the total taxable North Dakota sales made on behalf of all sellers in the marketplace by the facilitator exceeds \$100,000, in the current or previous calendar year.

Legislation also was enacted that eliminated the need for a remote seller to make 200 or more transactions into the state before it is required to collect and remit North Dakota state and local taxes. The only threshold that remains for remote sellers to consider is the \$100,000 taxable sales threshold which will be the basis for determining if tax collection is required.

SALES AND USE TAX

- Beginning July 1, 2019, certain North Dakota Agency of Veterans' Affairs designed commemorative memorial coins will become available for sale and will be exempt from sales taxation.
- Beginning July 1, 2019, a new sales tax exemption was created for tangible personal property used to construct or expand a qualified straddle plant, a qualified fractionator, or qualified associated infrastructure located within North Dakota.
- Beginning July 1, 2019, a new sales tax exemption was created for the tangible personal property used to construct or expand a system that provides secure geologic storage of carbon dioxide.
- Beginning July 1, 2019, provisions were enacted authorizing counties to impose a county lodging tax of up to 2% and a separate lodging and restaurant tax of up to 1%, provided these county taxes do not add to similarly city-imposed taxes.

INCOME TAX

- An income tax deduction was reinstated for individuals who experience a stillbirth. The previous tie to the federal credit had made the state credit zero for tax year 2018.
- Beginning July 1, 2019, a new "21st century manufacturing workforce credit" replaces the automation credit that expired at the end of tax year 2017.

- Beginning with tax year 2019, legislation was enacted that creates a new income tax deduction for retired U.S. armed forces, Reserve, and National Guard members, and their surviving spouses. The deduction is equal to the taxable portion of the military retirement benefit payments they report on their federal income tax return.
- Beginning with tax year 2019, legislation was enacted that creates a new income tax deduction for eligible individuals who receive social security benefit payments. An individual is eligible for the deduction if (1) any of the benefits are required to be included in federal adjusted gross income and (2) if the taxpayer's federal adjusted gross income does not exceed \$50,000 or \$100,000 if married filing jointly.
- For the 2019-21 biennium, the new jobs training program credits are capped at \$2,500,000 for all companies participating in the program. The credits, which are awarded to qualifying companies expanding and training new workers, come from income tax withholding on the wages and salaries paid to newly trained workers holding the identified new jobs.
- Beginning with tax year 2019 changes were made to the existing research expense income tax credit to allow taxpayers to use an alternative simplified method for purposes of calculating the state credit on qualifying North Dakota-based research expenses.
- Beginning with tax year 2019 changes were made to the existing nonprofit private school contribution credit allowing individuals who make direct contributions to a qualifying school to receive the credit. The limit on the percent of total tax liability that can be reduced by the credit was increased from 20% to 25%. Both changes apply only to the 2019 and 2020 tax years, after which the provisions of the tax credit revert to how it applied prior to 2019.

PROPERTY TAX

- An existing form of property tax relief was expanded with which the entire cost of county social services was transferred from the counties to the state and made permanent. The mill levies that had been suspended were removed from statute.
- Beginning with 2019, the law authorizing the farm residence property tax exemption was modified expanding the program, redefining a qualifying farmer, and putting in place additional qualification requirements. The legislation also addressed the confidentiality of both the farm income and homestead credit information supplied to counties.
- Due dates for reports from companies subject to central assessment by the State Board of Equalization was extended to May 1 of each year.
- Changes to the homestead credit for special assessments were enacted allowing an adjustment to the cap based on annual increases in the consumer price index.

OIL AND GAS TAXES

- The allocation formula under which oil and gas gross production tax is shared with political subdivisions was changed. The legislation – nicknamed “Prairie Dog” – expanded the amount of oil and gas tax revenue shared with political subdivisions throughout the state.
- The state's share of oil and gas tax revenues was reallocated among numerous funds.
- Legislation authorizing the timing of the transfer of Legacy Fund interest earnings to the State General Fund was enacted.

COMPARATIVE STATEMENT OF COLLECTIONS FOR THE 2015-17 BIENNIUM & THE 2017-19 BIENNIUM

Tax Type	2015 - 2017	2017 - 2019	Increase or Decrease	
	Biennium	Biennium	Dollars	Percent
Sales & Use Taxes	\$1,889,356,323	\$1,965,563,233	\$76,206,910	4.03%
Individual Income Tax	669,704,330	781,710,694	112,006,364	16.72%
Corporation Income Tax	166,806,391	241,453,904	74,647,513	44.75%
Oil & Gas Taxes	2,943,078,088	4,615,865,617	1,672,787,529	56.84%
Coal Taxes	74,583,978	75,737,700	1,153,722	1.55%
Motor Fuels Taxes	386,695,585	396,307,410	9,611,825	2.49%
All Other Taxes & Fees	649,432,653	678,008,877	28,576,224	4.40%
Total Net Collections	\$6,779,657,348	\$8,754,647,435	1,974,990,087	29.13%

Sales and Use Taxes: The growth in this category is due to overall increases in taxable sales and purchases, and is a measure of the resilience and diversity of the North Dakota economy which has dealt with lower agriculture and oil and gas commodity prices. A portion of the growth is due to the requirement to collect and remit sales and use taxes by remote sellers, as a result of the U.S. Supreme Court decision in ‘South Dakota v. Wayfair, Inc.’

Individual Income Tax: This category reflects the strong growth in wages and salaries resulting in increases in withholding and estimated payments. Unemployment remains very low in the state resulting in upward pressure on wages and salaries. Income taxes also reflect growth in capital gains in the state as well as some continuing responses to the Tax Cuts and Jobs Act of 2017.

Corporation Income Tax: The increase in this category is due to the strength in the corporate sector in North Dakota as well as the response to the Tax Cuts and Jobs Act of 2017.

Oil and Gas Taxes: The increase in this category is due to a small rebound in world oil prices coupled with record levels of oil and gas production in North Dakota.

STATEMENT OF COLLECTIONS: 2017-19 BIENNIUM

North Dakota Office of State Tax Commissioner Statement of Collections Data 2017-19 Biennium

Description	FISCAL YEAR 2018			FISCAL YEAR 2019			2017-19 BIENNIUM NET TOTAL
	Gross Collections	Refunds	Net Collections	Gross Collections	Refunds	Net Collections	
Sales & Use Tax	\$937,126,876.09	\$24,646,167.28	912,480,708.81	\$1,069,452,367.34	\$16,369,843.30	1,053,082,524.04	\$1,965,563,232.85
Motor Vehicle Excise Tax (1)	308,783.73	1,082.88	307,700.85	402,388.42	32.94	402,355.48	710,056.33
Local Occupancy Tax	3,010,901.11	14,029.81	2,996,871.30	3,494,404.13	18,691.71	3,475,712.42	6,472,583.72
Local Sales Tax	239,584,647.16		239,584,647.16	270,903,538.91		270,903,538.91	510,488,186.07
Local Restaurant and Lodging Tax	7,744,140.13		7,744,140.13	8,486,042.38		8,486,042.38	16,230,182.51
Local Motor Vehicle Rental Tax	136,743.84		136,743.84	148,053.14		148,053.14	284,796.98
Individual Income Tax	461,321,257.38	95,000,000.00 *	366,321,257.38	503,389,436.58	88,000,000.00 *	415,389,436.58	781,710,693.96
Corporate Income Tax	129,872,214.06	37,000,000.00 *	92,872,214.06	169,581,690.28	21,000,000.00 *	148,581,690.28	241,453,904.34
Financial Institutions Tax	4,605.00	2,293.00	2,312.00	611,355.00	5,739.00	605,616.00	607,928.00
Cigarette Tax (Cities)	1,423,168.51	158.11	1,423,010.40	1,375,523.92	170.70	1,375,353.22	2,798,363.62
Cigarette Tax (Tribe)	79,440.73		79,440.73	76,484.61		76,484.61	155,925.34
Cigarette Tax (GF)	19,462,769.56	2,002.78	19,460,766.78	18,821,958.01	2,529.65	18,819,428.36	38,280,195.14
Tobacco Tax	7,013,757.22	817.43	7,012,939.79	7,089,093.09	364.66	7,088,728.43	14,101,668.22
Oil & Gas Gross Production Tax	1,073,026,703.03		1,073,026,703.03	1,342,037,843.16		1,342,037,843.16	2,415,064,546.19
Oil Extraction Tax	1,003,828,719.00	22,463,868.37	981,364,850.63	1,230,102,780.11	10,666,559.88	1,219,436,220.23	2,200,801,070.86
Telecommunications Tax	9,682,817.95		9,682,817.95	8,342,997.24		8,342,997.24	18,025,815.19
Wholesale Liquor/beer Tax	8,918,246.11	6,014.88	8,912,231.23	9,057,987.55	8,754.20	9,049,233.35	17,961,464.58
Estate Tax	0.00		0.00	0.00		0.00	0.00
Miscellaneous Remittances	18,770.28		18,770.28	10,824.18		10,824.18	29,594.46
Coal Severance Tax	11,654,558.60		11,654,558.60	11,155,295.60		11,155,295.60	22,809,854.33
Coal Conversion Tax	26,237,709.01		26,237,709.01	26,690,136.32		26,690,136.32	52,927,845.20
Electric Generation Tax	16,703,423.02		16,703,423.02	19,706,196.99		19,706,196.99	36,409,620.01
Music and Composition Tax	225,234.79		225,234.79	232,206.12		232,206.12	457,440.91
Sales & Use Tax Cash Bonds	135,617.55	153,500.00	(17,882.45)	210,147.83	137,603.46	72,544.37	54,661.92
Fuel Dealers & Inspection Fees	322,287.86		322,287.86	330,523.98		330,523.98	652,811.84
Motor Vehicle Fuel Tax	102,826,285.63	1,386,000.00 *	101,440,285.63	102,896,292.15	1,537,000.00 *	101,359,292.15	202,799,577.78
Special Fuel Tax	95,869,356.06	553,000.00 *	95,316,356.06	98,960,976.47	769,500.00 *	98,191,467.47	193,507,832.53
Motor Fuel Tax - Cash Bond	12,000.00	1,995.00	10,005.00	8,600.00	4,000.00	4,600.00	14,605.00
Nongame Wildlife Fund	29,368.52		29,368.52	33,333.62		33,333.62	62,702.14
Centennial Tree Trust Fund	34,188.79		34,188.79	42,249.13		42,249.13	76,437.92
Organ Transplant Support Fund	25,981.33		25,981.33	24,413.28		24,413.28	50,394.61
Airline Tax	223,264.54		223,264.54	245,369.52		245,369.52	468,634.06
Airline Excise Tax	19,937.75	80.00	19,857.75	15,030.76		15,030.76	34,888.51
Prepaid Wireless Emerg 911 Fee	1,175,265.61	108.01	1,175,157.60	1,206,076.46	5,424.42	1,200,652.06	2,375,809.64
Provider Assessment	5,642,021.00		5,642,021.00	5,562,089.15		5,562,089.15	11,204,110.15
TOTAL COLLECTIONS	\$4,163,701,060.95	\$181,231,117.55	\$3,982,469,943.40	\$4,910,703,705.43	\$138,526,213.92	\$4,772,177,491.51	\$8,754,647,434.91

* Represents amounts transferred to refund reserve accounts - not actual refunds.

(1) Additional Motor Vehicle Excise Tax was collected by the ND Agency of Transportation. Amounts collected by DOT were \$125,438,101 in FY 18 and \$136,664,549.91 in FY 19.

NET COLLECTIONS: FOR FISCAL YEARS 2013 TO 2019

Tax Type	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Sales and Use Taxes (1)	\$1,267,191,866(2)	\$1,320,167,042(2)	\$1,389,034,625	\$1,017,376,784	\$872,421,766	\$912,480,709	\$1,053,082,524
Individual Income Tax	617,933,162	516,139,885	537,606,872	355,512,173	314,192,157	366,321,257	415,389,437
Corporation Income Tax	187,067,476	239,404,247	195,838,806	97,580,800	69,225,592	92,872,214	148,581,690
Oil Extraction Tax	1,277,370,124	1,754,824,617	1,514,332,592	732,866,348	693,306,400	981,364,851	1,219,436,220
Gross Production Tax	1,130,369,449	1,492,982,452	1,286,652,421	750,474,504	766,430,836	1,073,026,703	1,342,037,843
Coal Taxes (3)	35,892,807	36,171,289	38,547,031	37,734,264	36,849,713	37,892,268	37,845,432
Motor Fuel Taxes (4)	212,323,479	228,694,030	232,501,342	197,177,741	189,517,844	196,756,642	199,550,769
All Other Taxes & Fees (5)	300,605,396	320,946,047	343,319,515	330,962,875	318,027,551	321,755,299	356,253,577
Total Net Collections	\$5,028,753,759	\$5,909,329,609	\$5,537,833,204	\$3,519,685,489	\$3,259,971,859	\$3,982,469,943	\$4,772,177,492

(1) Includes sales and use tax, motor vehicle excise tax.

(2) The Agency of Transportation collects the majority of the motor vehicle excise taxes. These collections are not included in the amounts listed here.

DOT collections of motor vehicle excise tax totaled \$80,654,289 in FY 08, \$76,219,312 in FY 09, \$80,466,118 in FY 10, \$99,805,028 in FY 11, \$132,586,349 in FY 12, \$141,742,725 in FY 13, \$149,739,102 in FY 14, \$152,261,521 in FY 15, \$116,651,688 in FY 16, and \$126,154,346 in FY 17.

(3) Includes coal severance tax and coal conversion facilities privilege tax.

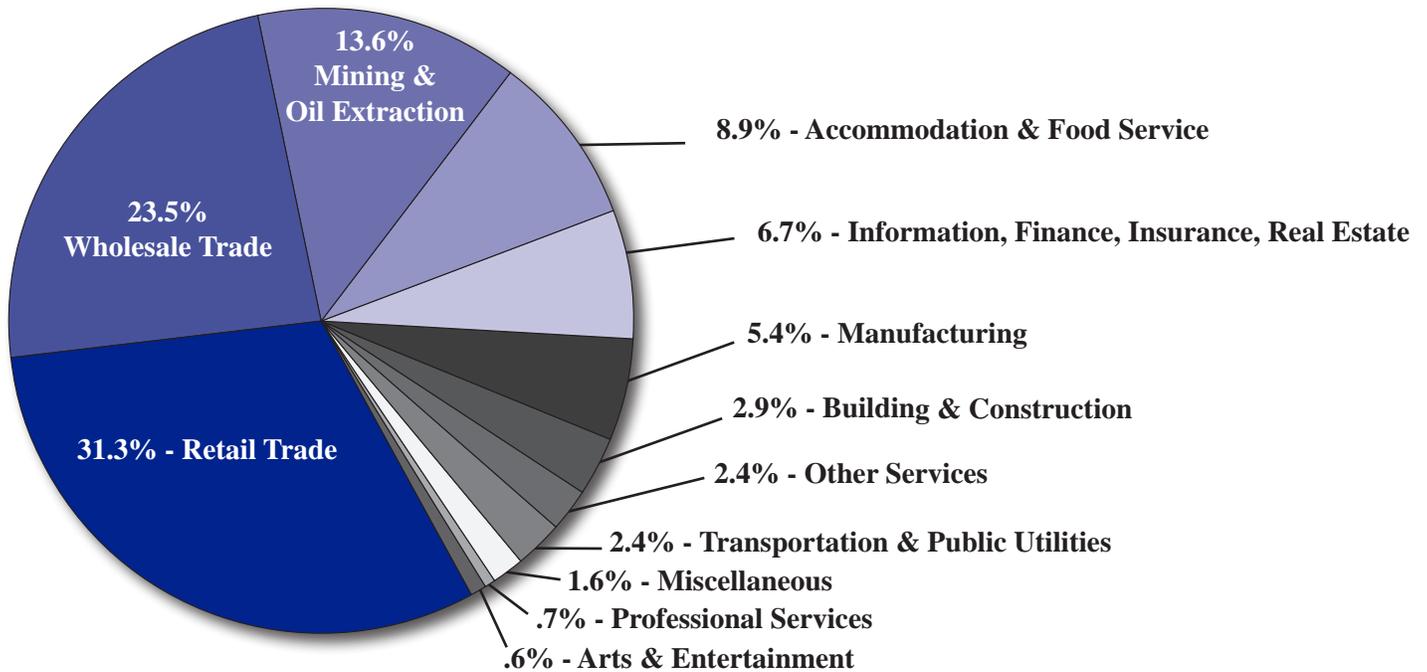
(4) Includes motor vehicle fuel and special fuel taxes.

(5) Includes cigarette tax, tobacco tax, estate tax, financial institutions tax, transmission lines tax, city sales tax, city lodging tax, music and composition tax, sales and use tax and motor fuel tax cash bonds, motor fuel license fees, non-game wildlife contributions, centennial trees contributions, organ transplant support contributions, city restaurant and lodging, miscellaneous remittances, provider assessment, telecommunications tax, wholesale liquor tax, airline tax, city motor vehicle rental tax, and prepaid wireless fees.

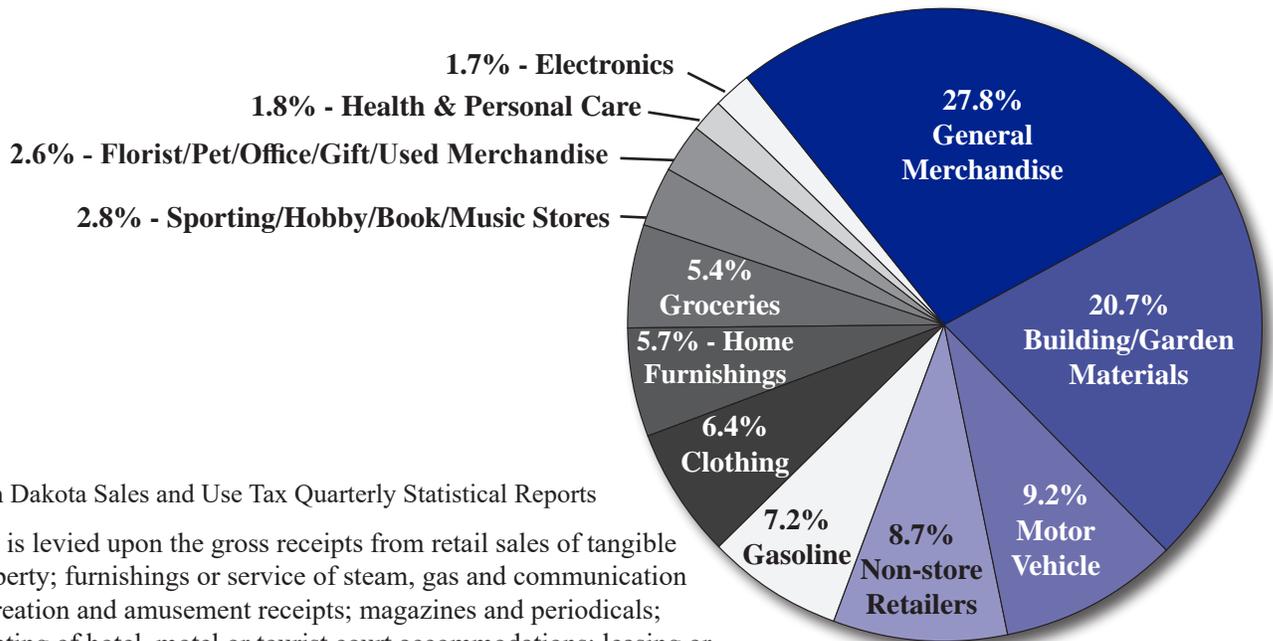
SOURCE: Comparative Statement of Collections, Office of State Tax Commissioner.

TAXABLE SALES & PURCHASES IN THE 2017-19 BIENNIUM

TAXABLE SALES AND TAXABLE PURCHASES BREAKDOWN BY MAJOR BUSINESS SECTORS



TAXABLE SALES AND TAXABLE PURCHASES BREAKDOWN OF RETAIL TRADE SECTOR



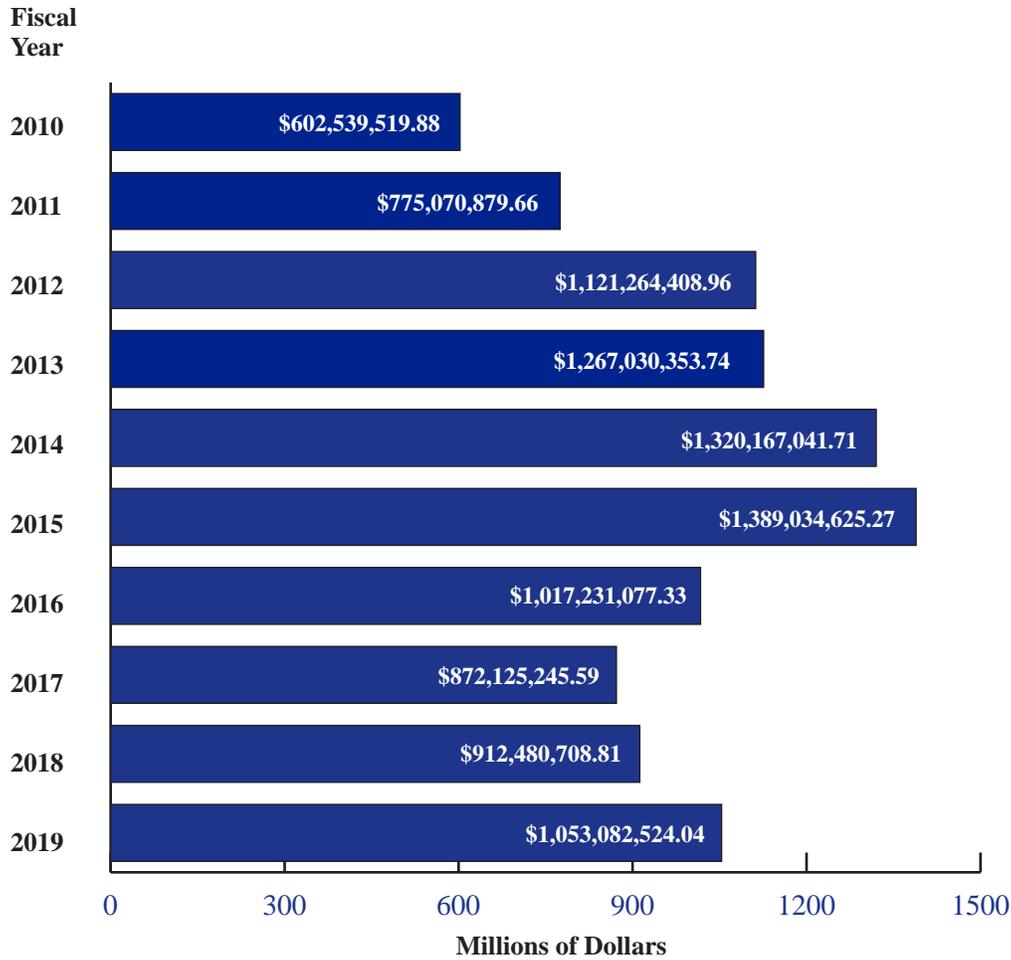
Source: North Dakota Sales and Use Tax Quarterly Statistical Reports

The sales tax is levied upon the gross receipts from retail sales of tangible personal property; furnishings or service of steam, gas and communication services; recreation and amusement receipts; magazines and periodicals; leasing or renting of hotel, motel or tourist court accommodations; leasing or renting of tangible personal property.

The use tax is imposed upon any tangible personal property purchased at retail for storage, use, or consumption in this state and not subject to the North Dakota sales tax, unless otherwise exempt by law. Generally this tax applies on purchases of tangible personal property at retail outside North Dakota for use in this state. Many purchases made over the Internet are subject to the use tax.

Sales Tax permit holders are categorized through the use of the North American Industrial Classification System, generally referred to as "NAICS" codes. The NAICS system is used by government and business throughout the United States to facilitate record keeping and the compilation of statistics regarding business and industry.

SALES & USE TAX COLLECTIONS DURING FISCAL YEARS 2010 TO 2019



DISTRIBUTION OF SALES TAX COLLECTIONS

	Total Revenues	State General Fund	State Aid Distribution Fund
FY 2010	602,539,519.88	554,253,325.86	48,286,194.02
FY 2011	775,070,879.66	712,958,004.76	62,112,874.90
FY 2012	1,121,264,408.96	1,031,442,016.04	89,822,392.92
FY 2013	1,267,030,353.74	1,165,535,777.18	101,494,576.56
FY 2014	1,320,167,041.71	1,212,460,100.00	107,706,941.71
FY 2015	1,389,034,625.27	1,265,786,681.93	123,247,943.34
FY 2016	1,017,231,077.33	925,369,573.65	91,861,503.68
FY 2017	872,125,245.59	792,498,261.64	79,626,983.95
FY 2018	912,480,708.81	829,120,205.91	83,360,502.90
FY 2019	1,053,082,524.04	957,359,511.00	95,723,013.04

SALES & USE TAX

Generally, the North Dakota sales and use tax is imposed on the gross receipts of retailers. The tax is paid by the purchaser and collected by the retailer. Currently, the sales and use tax rates are as follows:

- The general rate is 5%.
- The rate on retail sale of alcoholic beverages is 7%.
- The rate on new farm machinery is 3%.
- The rate on new mobile homes is 3%.

A brief history of changes to the sales tax base and rates follows:

Effective July 1, 1991, manufacturing or processing machinery and equipment used by new or expanding manufacturers or agricultural producers was exempted from the sales tax. Additionally, an exemption was created for production equipment in new, large lignite-burning power plants and for other tangible personal property used in construction of the power plant.

Effective July 1, 1993, the exemption for manufacturing machinery and equipment was broadened to include recycling machinery and equipment. The definition of what equipment qualifies for the manufacturing exemption was further broadened in a July 1994 special session to include all equipment utilized until final transportation from the site, and to include research and development equipment.

Effective July 1, 1997, the exemption for purchases made by an out-of-state political subdivision was modified to include only those that exempt purchases made by a North Dakota political subdivision.

Effective May 1, 1999, the sales tax rate on used farm equipment and farm repair parts was decreased from 3% to 1.5%.

Effective July 1, 2002, used farm equipment and farm repair parts became exempt from sales tax.

Effective July 1, 2003, the sales tax rate was increased to 6% for hotel and motel rooms. The receipts from this additional 1% was to assist with the promotion of the various Lewis and Clark Bicentennial events being held throughout the state. This tax expired June 30, 2007.

Effective July 1, 2005, the State enacted and adopted the national Streamlined Sales Tax Project.

Effective July 1, 2009, the sale of natural gas became exempt from sales tax. A sales tax exemption was also enacted for irrigation system repair parts, and for property used to compress, process, gather, or refine gas produced from an oil or gas well in the state. Purchases of tangible personal property used to construct or expand a telecommunications service infrastructure in the state was exempted from sales and use taxes.

Effective July 1, 2011, gross receipts from coin-operated amusement machines became exempt from sales tax. Also exempted was the machinery and equipment used in a new coal mine and the construction or expansion of oil refineries and gas gathering compressing and processing facilities.

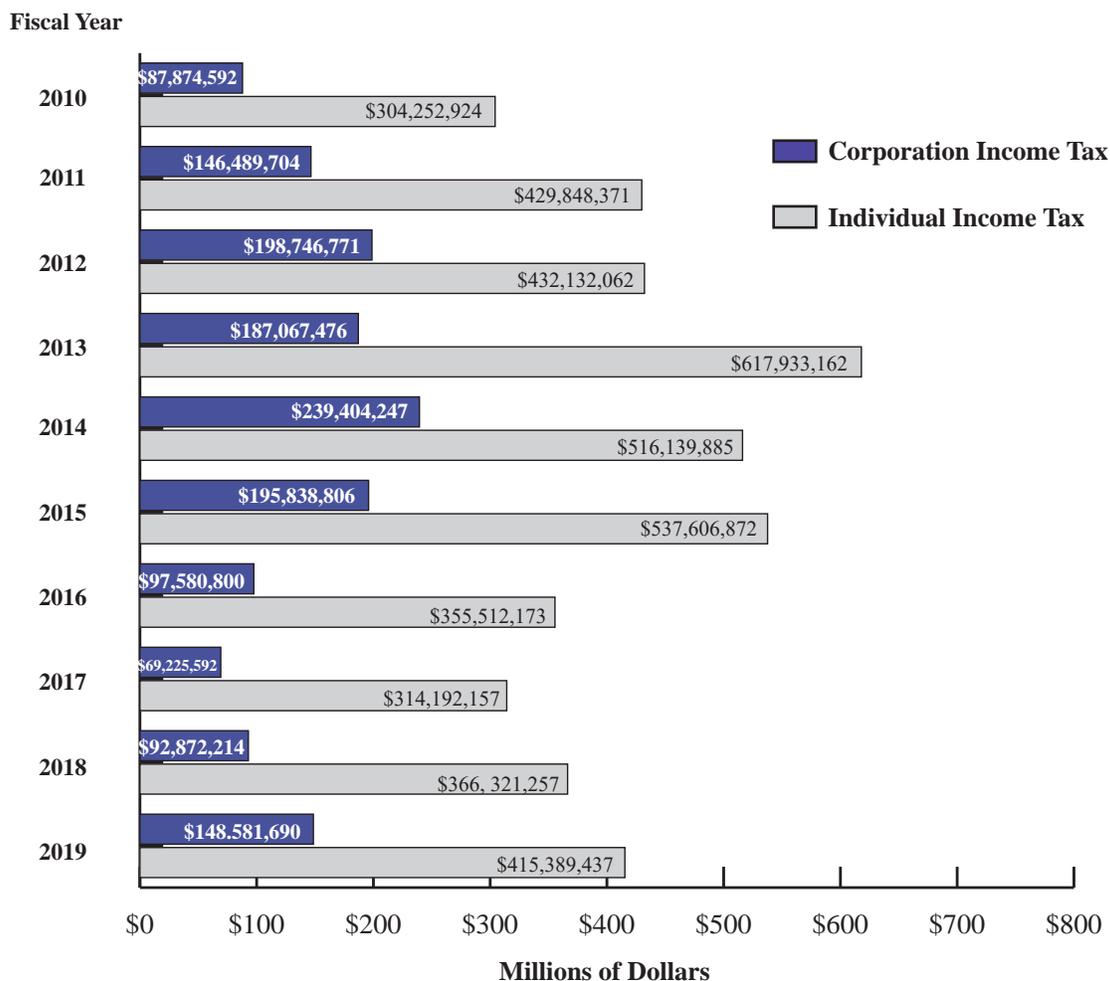
Effective July 1, 2013, the sales tax exemption for gas gathering systems was expanded to include certain gas collection systems capable of capturing 75% of the gas from a well. The sales tax exemption for wind-powered electrical generating facilities was extended to January 1, 2017. A sales tax exemption was authorized for the construction or expansion of a plant designed to produce byproducts associated with coal gasification.

Effective July 1, 2015, items used in the construction of fertilizer plants, chemical processing plants and new coal mines became exempt from sales and use tax. Other exemptions enacted include sales to qualified data centers, admissions to higher education events, and molds used in manufacturing processes.

Effective July 1, 2017, dairy farm equipment installed in real estate qualified for the lower 3% gross receipts tax. The prepaid wireless fee was increased from 2% to 2.5%.

Effective October 1, 2018, the state started imposing and collecting sales and use tax from remote sellers as a result of the U.S. Supreme Court decision in *SD v. Wayfair, Inc.*

NET INDIVIDUAL & CORPORATE INCOME TAX COLLECTIONS DURING FISCAL YEARS 2010 TO 2019



Individual Income Tax

For tax years 2009 and 2010, tax rates ranged from 1.84% to 4.86% of North Dakota taxable income. For tax years 2011 and 2012, tax rates ranged from 1.51% to 3.99% of North Dakota taxable income. For tax years 2013 and 2014, tax rates ranged from 1.22% to 3.22% of North Dakota taxable income. For tax years beginning with 2015, the tax rates range from 1.10% to 2.90% of North Dakota taxable income.

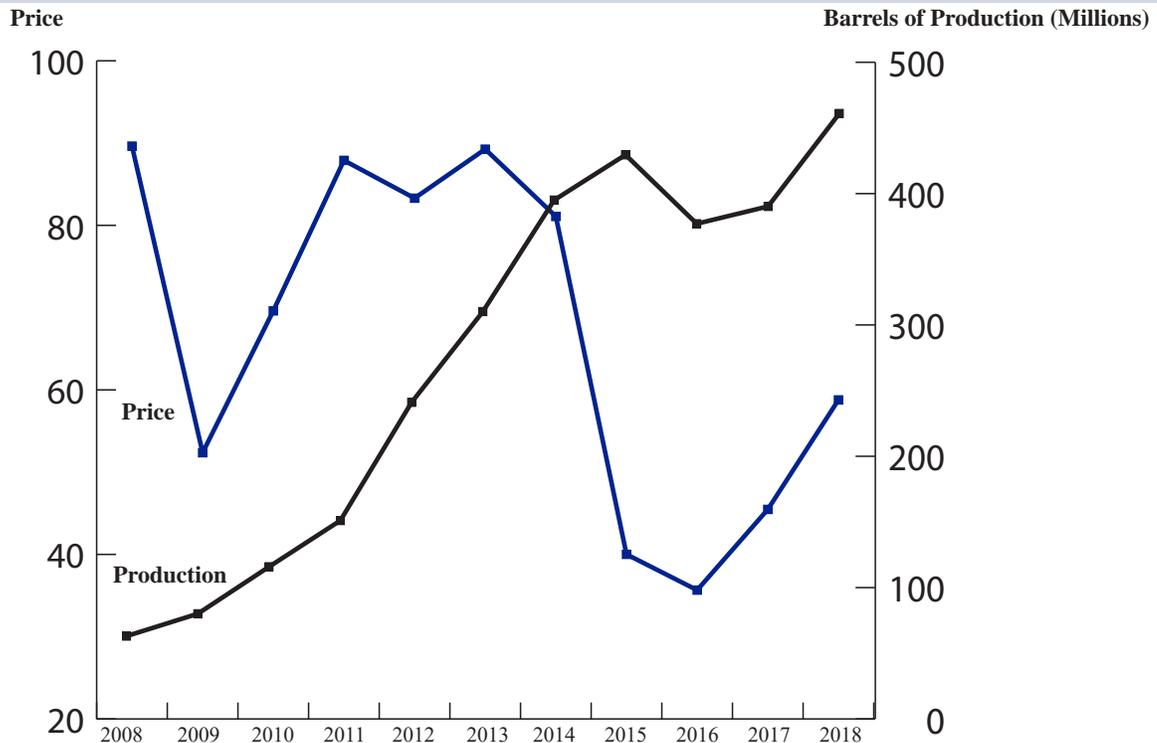
Individual income tax revenues are deposited in the State General Fund.

Corporation Income Tax

For tax years 2009 and 2010, tax rates ranged from 2.1% to 6.4%. For tax years 2011 and 2012, tax rates ranged from 1.68% to 5.15%. For tax years 2013 and 2014, tax rates ranged from 1.48% to 4.53%. For the tax years beginning with 2015, tax rates range from 1.41% to 4.31%.

Corporation income tax revenues are deposited in the State General Fund.

ANNUAL CRUDE OIL PRODUCTION IN ND & DOMESTIC OIL PRICE PER BARREL DURING CALENDAR YEARS 2008 TO 2018



Production: North Dakota Industrial Commission Oil Statistics, Price: Average North Dakota Price from Tax Agency Records

OIL AND GAS GROSS PRODUCTION AND OIL EXTRACTION TAX REVENUES 2017-2019 BIENNIUM

	Fiscal Year 2018	Fiscal Year 2019	2017-2019 Biennium
Net Collections			
Oil & Gas Gross Production Tax	\$1,073,026,703	\$1,342,037,843	\$2,415,064,546
Oil Extraction Tax	981,364,851	1,219,436,220	2,200,801,071
Total	\$2,054,391,554	\$2,561,474,063	\$4,615,865,617
Distributions			
State General Fund			\$400,000,000
Legacy Fund			1,248,613,201
Counties/Cities/School Districts			678,731,741
Three Affiliated Tribes			453,699,550
Foundation Aid Stabilization Fund			178,752,283
Common Schools Trust Fund			178,752,283
Resources Trust Fund			357,504,568
Oil & Gas Impact Grant Fund			28,353,446
Oil & Gas Research Fund			10,000,000
Strategic Investment & Improvements			780,137,707
Tax Relief Fund			200,000,000
Lignite Research Fund			3,000,000
Energy Impact Fund			4,000,000
Outdoor Heritage Fund			10,799,177
Budget Stabilization Fund			75,000,000
Well Plugging & Site Reclamation Fund			8,399,588
Total Distributions			\$4,615,743,544

Note: Some collections are distributed in the following biennium and some distributions are from revenue collected in the prior biennium. Distributions lag collections by a month.

OIL & GAS GROSS PRODUCTION TAX

The gross value of oil production at the well, less any part which is specifically exempt, is taxed at a rate of 5% in lieu of property taxes on the oil and gas producing properties. Gas production is taxed on a volume basis at a rate determined by the movement of a fuels cost index. During fiscal year 2016, gas production was taxed at the rate of 11.06¢ per 1,000 cubic feet (Mcf). In fiscal year 2017, the tax rate was 6.01¢ per MCF.

OIL EXTRACTION TAX

The oil extraction tax became effective January 1, 1981, as a result of an initiated measure passed by the citizens of North Dakota. The gross value of oil production at the well, less any part which is specifically exempt, was taxed at 6.5%.

The 1987 Legislative Assembly changed the oil extraction tax with respect to new wells, secondary and tertiary recovery projects, and low production (stripper) wells. Oil produced from new wells drilled and completed after April 27, 1987, was exempted from the oil extraction tax during the first 15 months following the well's completion. After the 15-month exemption period, the oil produced from the qualifying new well was subjected to a reduced oil extraction tax rate of 4%. The 4% tax rate may also apply to oil produced from a well in a qualifying secondary or tertiary recovery project. The legislature expanded the definition of stripper well property to allow more wells to qualify for the stripper well exemption.

Effective July 1, 1987, the oil extraction tax exemption for the private royalty interest was eliminated.

The 1989 Legislative Assembly provided a one-year exemption from the oil extraction tax for qualifying work-over projects.

The 1991 Legislative Assembly provided a time-limited exemption from the oil extraction tax for incremental oil produced from an enhanced recovery project. Upon expiration of the exemption, incremental oil produced by the project qualifies for a 4% oil extraction tax rate. Nonincremental oil may qualify for a reduced tax rate of 4%.

The 1993 Legislative Assembly modified the definition of a qualifying work-over project. Upon completion of the work-over exemption, the project qualifies for a 4% oil extraction tax rate. The 1995 Legislature also modified exemptions and created new ones.

Most of these incentives were “triggered” on and off based on oil prices. The majority of incentives had been triggered off since October 1, 2004 because oil prices exceeded the trigger price. Effective January 1, 2016, most triggered incentives were repealed, and the oil extraction tax rate was permanently lowered from 6.5% to 5% of the value at the lease.

LEGACY FUND

In 2011, the citizens of North Dakota approved a ballot measure to change the State's Constitution requiring 30% of all oil and gas tax revenues be deposited to the state's Legacy Fund. The Legacy Fund received \$816 million in the 2015-17 biennium.

TRIBAL/STATE OIL & GAS REVENUE SHARING

Beginning in Fiscal Year 2009, the Legislature authorized the Governor to enter into an agreement sharing the tax revenue from oil and gas production within the Fort Berthold Indian Reservation. In the 2015-17 biennium, this agreement resulted in \$226.1 million in revenue to the Three Affiliated Tribes.

COAL CONVERSION TAX: 2017-19 BIENNIUM

KILOWATT HOURS PRODUCED DURING THE 2017-19 BIENNIUM

	<u>Fiscal Year 2018</u>	<u>Fiscal Year 2019</u>
Total kWh Produced	27,877,532,747	25,885,263,761

DISTRIBUTION OF COAL CONVERSION TAX REVENUE - 2017-19 BIENNIUM

<u>Distribution Fund</u>	<u>Fiscal Year 2018</u>	<u>Fiscal Year 2019</u>
Counties	\$ 4,127,482	\$ 4,227,655
State General Fund ¹	<u>22,110,227</u>	<u>22,462,481</u>
Total Revenue Collected	\$26,237,709	\$26,690,136

¹ Five percent of funds allocated to the State General Fund are allocated to the Lignite Research Fund

Coal Conversion Facilities Tax: Facilities that process or convert coal are subject to the coal conversion facilities tax unless expressly exempted by statute. Electrical generating plants that have a single generating unit with the capacity of 10,000 kilowatts or more are subject to the coal conversion facilities tax. Electrical generating plants are subject to two conversion tax levies. One levy is .65 mill times 60% of installed capacity times the number of hours in the taxable period. The revenue from this levy is distributed 85% to the State General Fund and 15% to the county in which the plant is located. The other levy is .25 mill per kwh of electricity produced for sale. The revenue from this levy is distributed to the State General Fund.

Also subject to the coal conversion facilities tax is the coal gasification plant. This tax is the greater of: (A) 2% of gross receipts, excluding revenues derived from by-products (up to a maximum of 20% of gross receipts) and revenue from synthetic natural gas produced in excess of 110 million cubic feet per day, or (B) 13.5¢ on each 1,000 cubic feet of synthetic natural gas produced up to 110 million cubic feet per day. The U.S. Agency of Energy operated the coal gasification plant from August 1, 1985, through October 31, 1988, during which time the plant was exempt from the coal conversion facilities tax. The plant was purchased by the Dakota Gasification Company, which began taxable production November 1, 1988. The new owner was exempt from the state's share (65%) of the tax for five years from the date of purchase because of provisions enacted by the 1987 Legislature. (This exemption expired October 31, 1993). Throughout the five-year exemption from the state's share, the plant was subject to the county share of the tax (35% at that time).

The 1989 Legislature enacted a special coal conversion facilities tax on coal beneficiation plants of 20 cents per ton of beneficiated coal produced for sale or 1¼% of gross receipts, whichever is greater. An exemption was made for beneficiated coal produced in excess of 80% of the plant design capacity.

The 1991 Legislature enacted a five-year exemption from part or all of the tax for new lignite-burning electrical generating plants.

The 1997 Legislature exempted from the Coal Conversion Facilities Tax the revenue from the sale of by-products, to a maximum of 35% of gross receipts, for a four-year period beginning January 1, 1997. Revenue from the sale and transportation of carbon dioxide for use in enhanced recovery of oil and natural gas was also exempted from this tax.

The 2001 Legislature amended the definition of a coal conversion facility to include an electrical generating plant that has at least one single unit with a capacity of 10,000 kilowatts or more. The tax rate on installed capacity increased to .65 mill times 60% of installed capacity times the number of hours in the taxable period. Distribution of the tax on installed capacity changed to allocate 85% to the State General Fund and 15% to the county in which the plant is located. The tax rate on synthetic natural gas increased to \$.135 per 1,000 cubic feet. The tax rate on gross receipts changed from 2.5% to 4.1%. Through December 31, 2009, the first \$41,666.67 each month from a coal conversion facility other than an electrical generating plant is deposited in the State General Fund. The remainder is allocated 85% to the State General Fund and 15% to the county in which the plant is located. The Legislature provided that the allocation of coal conversion tax to each county may not be less in each calendar year than it was in the immediately preceding calendar year.

The 2005 Legislature enacted the Coal Conversion Facility Tax Reduction Act that provides a five-year exemption for electrical generating plants that complete repowering. "Repowering" is defined as an investment of more than \$200 million or \$1 million per megawatt of installed nameplate capacity, whichever is less, in an existing power plant that modifies or replaces the process used for converting lignite coal from its natural form into electric power.

The 2007 Legislature provided that for the 2007-09 biennium 3½% of funds allocated to the State General Fund from the coal conversion tax must be allocated to the lignite research fund. After June 30, 2009, 5% must be allocated to the lignite research fund, through July 31, 2018.

The 2009 Legislature clarified that the exemption for new or repowered electrical generating plants is limited to a new or repowered unit of a plant. They provided that a coal conversion facility that achieves a 20% capture of carbon dioxide emissions during a taxable period receives a 20% reduction in the state general fund share of the coal conversion tax, and an additional reduction of 1% for every additional two percentage points of its capture of carbon dioxide emissions, up to 50% reduction for 80% or more capture.

The 2017 legislature amended the coal conversion tax measured by gross receipts to 2% of the gross receipts for the preceding month. The legislature also amended the carbon dioxide capture credit to define that a coal conversion facility that met the carbon dioxide capture requirements before January 1, 2017 may not claim the reduction allowed under N.D.C.C. § 57-60-02.1.

Any county which has a coal conversion facility that was not a coal conversion facility before January 1, 2002, had to receive for calendar year 2002 at least as much as that facility paid in property taxes for taxable year 2001. For subsequent years, that county must receive no less than it received in the preceding calendar year. All amounts received from that facility must be allocated in the same manner property taxes for the facility were allocated for taxable year 2001.

COAL SEVERANCE TAX: 2017-19 BIENNIUM

TONNAGES SEVERED DURING THE 2017-19 BIENNIUM

Taxable Tons Severed:

<u>County</u>	<u>Fiscal Year 2018</u>	<u>Fiscal Year 2019</u>
Adams		
Bowman	50,562	68,666
McLean	7,186,917	7,039,039
Mercer	15,932,911	15,217,922
Oliver	4,228,758	3,823,301
Williams	11,903	8,811
Total Taxable Tons Severed	27,411,051	26,157,739

DISTRIBUTION OF COAL SEVERANCE TAX REVENUE - 2017-19 BIENNIUM

<u>Distribution Fund</u>	<u>Fiscal Year 2018</u>	<u>Fiscal Year 2019</u>
Counties (70%)	\$7,774,436.31	\$7,442,498.57
Land Board (30%)	3,331,901.27	3,189,642.25
Lignite Research (additional 2¢ per ton)	<u>548,221.02</u>	<u>523,154.78</u>
Total Revenue Collected	\$11,654,558.60	\$11,155,295.60

COAL SEVERANCE TAX

The Coal Severance Tax was enacted by the 1975 North Dakota Legislative Assembly. This tax is applied to coal severed from the ground on a rate per ton basis. The 1975 law provided for a 50¢ per ton with an escalator clause that increased the tax 1¢ per ton for each three point increase in the Wholesale Price Index. The 1975 law was made effective July 1, 1975.

The revenues collected during the 1975-77 biennium were distributed according to the following formula:

1. 35% to a special fund to be granted by the Impact Office to impacted political subdivisions.
2. 30% to a special trust fund to be administered by the State Land Board.
3. 5% to coal-producing counties.
4. 30% to the State General Fund.

The 1975 law was replaced with the 1977 law, changing the rate and distribution formula. The 1977 law, effective July 1, 1977, provided for a 65¢ per ton with an escalator clause that increased the tax 1¢ per ton on a quarterly basis for every one point increase in the Wholesale Price Index.

The 1977 law also changed the distribution of revenues to the following formula:

1. 35% to a special fund to be granted by the Impact Office to impacted political subdivisions.
2. 15% to a special trust fund to be administered by the State Land Board.
3. 20% to coal-producing counties.
4. 30% to the State General Fund.

Effective July 1, 1979, the tax was 85¢ per ton tax with an escalator that would increase the tax 1¢ per ton on a semi-annual basis for every four point increase in the Producer Price Index. The distribution of revenues remained the same.

The 1985 Legislative Assembly exempted from the coal severance tax coal used in agricultural processing or sugar beet refining plants within North Dakota or adjacent states. Also, the tax rate was reduced by 50% for coal burned in a cogeneration facility designed to use renewable resources to generate 10% or more of its energy output.

The 1987 Legislative Assembly amended the coal severance tax law, removing the escalator clause and reducing the tax rate from \$1.04 to 75¢ per ton and enacting an additional temporary tax of 2¢ per ton dedicated to lignite research. The 1987 law also changed the distribution of the revenue to the following formula:

1. 15% to a special trust fund to be administered by the State Land Board
2. 35% to coal-producing counties
3. 50% to the State General Fund

The 1993 Legislative Assembly limited the amount of coal production on which a coal producing county has to share its severance tax with a nearby nonproducing county. The uses of the trust fund were expanded to include loans for school construction. Coal shipped out of state after June 30, 1995, and before July 1, 2000, was made exempt from the state's 50% portion of the tax; counties may grant a partial or complete exemption from the county's 35% portion. A constitutional amendment was placed on the June 1994 Primary Election ballot that allowed appropriations from the trust fund for clean coal demonstration projects approved by the North Dakota Industrial Commission and the United States Agency of Energy. The amendment was approved by the voters.

The 2001 Legislative Assembly reduced the tax rate from 75¢ per ton to 37.5¢ per ton and eliminated the distribution to the State General Fund. The allocation was changed to 30% to the coal development trust fund and 70% to the coal producing counties.

The 2009 Legislature prohibited imposition of coal severance tax on coal used to produce steam that is used in agricultural commodity processing facilities in North Dakota or adjacent states or any facility owned by the state or a political subdivision of the state, or on coal purchased for improvement through coal beneficiation and subsequently used in, or used to produce steam that is used in, agricultural commodity processing facilities located in North Dakota or adjacent states or any facility owned by the state or a political subdivision of the state.

The 2015 Legislature amended several sections of law to define commercial leonardite as a subsurface mineral and redefined commercial leonardite severance taxation.

The 2017 Legislature reduced the production limit of coal severed that is required to be shared with a county within fifteen miles of the tipple of the active coal mine. The production limit through calendar year 2017 is 3,400,000 tons of coal. For calendar years after 2017, the production limit is 3,000,000 tons.

ELECTRIC GENERATION, DISTRIBUTION & TRANSMISSION TAXES

TAXES CERTIFIED FOR COLLECTION FOR THE YEARS*:

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Electric Distribution Tax	\$8,977,866.23	\$9,437,060.93	\$9,437,060.93	\$10,021,157.96
Electric Transmission Tax	1,595,560.65	1,636,776.34	1,637,760.30	1,714,235.43
Electric Generation from Wind Tax	1,730,037.09	2,683,391.30	5,175,538.57	7,741,338.28
Electric Generation (from sources other than wind and coal)	937,603.79	1,280,275.32	1,280,275.32	997,646.83

SOURCE: Property Tax Division, Office of State Tax Commissioner

*These taxes are levied by the State Board of Equalization in August of the indicated year and are payable in the following year.

The 2009 Legislature repealed N.D.C.C. ch. 57-33, the rural Electric Cooperative Gross Receipts Tax, and ch. 57-33.1, Taxation of Cooperative Electrical Generating Plants, and enacted ch. 57-33.2, Electric Generation, Distribution, and Transmission Taxes. The 2015 Legislature amended the assessment of transmission line taxes. All transmission lines of 100 kilowatts or more, on which construction is completed after December 31, 2014, or which is 20 years or more from the date of first assessment, is subject to taxes in lieu of property taxes, to be determined as provided in subsection 1 of N.D.C.C § 57-33.2-04 and subject to any associated administrative provisions of N.D.C.C. ch. 57-33.2 and therefore included in the total Electric Transmission Tax (previously the Transmission Line Tax).

The 2019 Legislature amended the distribution of taxes collected for wind generated electricity. Thirty-three percent of wind project revenue collected under subsection 1 of N.D.C.C § 57-33.2-04 for new projects that begin construction after December 31, 2020, and those that have been in operation for twenty-years or more from the date of first assessment, will be deposited to the state general fund. The remaining revenue will be allocated to the local jurisdictions.

TELECOMMUNICATIONS CARRIERS TAX

Beginning with tax year 1998, all telecommunications companies including mutual and cooperative telephone companies pay a gross receipts tax at the rate of 2½% of adjusted gross receipts. The tax is payable to the State Tax Commissioner and is in lieu of all real and personal property taxes on property directly used by a telecommunications carrier in its telecommunications operations. There is a standing appropriation of \$8.4 million which the State Treasurer distributes annually to counties and their political subdivisions according to a statutory formula, regardless of the amount generated by the gross receipts tax.

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Telecommunications Tax Assessed	\$12,185,940.44	\$11,337,683.56	\$10,280,989.90	\$8,598,842.99

SOURCE: Proceedings of the State Board of Equalization, Office of State Tax Commissioner

CIGARETTE & TOBACCO PRODUCTS TAX

	2015-2017 Biennium		2017-2019 Biennium	
	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>
3¢ per package cigarette tax distributed to cities on population basis	\$1,594,993.40	\$1,482,477.03	\$1,423,168.51	\$1,375, 523.92
41¢ per package cigarette tax distributed to State General Fund	\$21,798,243.14	\$20,260,519.59	\$19,449,976.76	18,809,641.25
28% of the wholesale price of tobacco products distributed to State General Fund	\$7,248,800.81	\$7,108,544.11	\$7,013,757.22	7,089,093.09

The cigarette tax rate is 44¢ per package of 20 cigarettes. Generally, the tobacco products tax is 28% of the wholesale purchase price. Some tobacco products are taxed based on weight.

STANDING ROCK SIOUX TRIBE CIGARETTE AND TOBACCO TAX

	2015-2017 Biennium		2017-2019 Biennium	
	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY2018</u>	<u>FY 2019</u>
Amount distributed to the Tribe	\$88,226.34	\$123,390.97	\$79,440.73	\$76,484.61
Amount distributed to the State General Fund	\$14,214.01	\$19,870.34	\$12,792.80	\$12,316.76

The Office of State Tax Commissioner acts as an agent for the Tribe in the collection of a tribal cigarette and tobacco tax. The tax rates are identical to the state cigarette and tobacco tax rates. Eighty-seven percent of the collection, less a 1% administrative fee is returned to Standing Rock Sioux Tribe. The administrative fee plus 13% of the collections are deposited into the State General Fund.

SOURCE: Comparative Statement of Collections, Office of State Tax Commissioner.

AIRLINE TAX

Operating real property of air transportation companies is assessed by the State Board of Equalization. The taxes are computed and collected by the Tax Commissioner and certified to the State Treasurer for distribution. The taxes upon air transportation companies are allocated by the State Treasurer to the city or municipal airport authority where each company makes regularly scheduled landings according to the ratio that the value of the company's assessable property at a given city or municipal airport bears to the total value of the company's assessable property located in North Dakota.

TAXES CERTIFIED TO STATE TREASURER FOR THE YEARS*

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Airlines	\$209,767.23	\$200,130.34	\$222,620.83	\$245,369.52

* Airline assessments of real property are determined by the State Board of Equalization in August of each year. The tax due amounts are computed in the spring of the following year using the average mill rate for cities operating airports served by scheduled airlines.

SOURCE: Property Tax Division, Office of State Tax Commissioner.

AVIATION FUEL, MOTOR VEHICLE FUEL & SPECIAL FUEL TAXES COLLECTIONS & DISBURSEMENTS 2017-19 BIENNIUM

Aviation Fuel, Motor Vehicle Fuel, & Special Fuel Collections - Tax, Penalty, Interest, & Fees

	FY2018 Dollars	FY2019 Dollars	
Aviation Fuel:			
Aviation Gas - at \$.08 Per Gallon	\$123,573.78	\$163,044.16	
Jet Fuel - at \$0.08 Per Gallon	\$1,597,770.83	\$1,700,392.54	
Penalty & Interest	\$121.25	\$340.94	
<i>Total Collections</i>	\$1,721,465.86	\$1,863,777.64	
Total Refunds	\$18,536.33	\$39,339.33	
<i>Net Collections</i>	\$1,702,929.53	\$1,824,438.31	
Motor Vehicle Fuel:			
Gasoline - at \$0.23 Per Gallon	\$15,585,468.69	\$16,145,910.48	
Gasohol - at \$0.23 Per Gallon	\$85,027,866.07	\$84,578,197.36	
Penalty & Interest	\$44,566.76	\$42,918.45	
<i>Total Collections</i>	\$100,657,901.52	\$100,767,026.29	
Total Refunds	\$1,498,953.52	\$1,344,601.62	
<i>Net Collections</i>	\$99,158,948.00	\$99,422,424.67	
Special Fuel:			
Diesel - Propane - at \$0.23 Per Gallon	\$76,244,948.44	\$78,227,860.82	
Diesel- Heating-Kerosene-Propane - at 2% or \$0.04 Per Gallon	\$16,489,541.33	\$17,579,759.18	
Heating	\$0.00	\$0.00	
Penalty & Interest	\$455,372.46	\$64,286.02	
<i>Total Collections</i>	\$93,189,862.23	\$95,871,906.02	
Total Refunds	\$521,415.29	\$636,725.98	
<i>Net Collections</i>	\$92,668,446.94	\$95,235,180.04	
Consolidated Laboratories Inspection Fees:			
From Motor Vehicle Fuel	\$113,752.31	\$113,913.65	
From Special Fuels (Except Propane)	\$176,644.76	\$185,158.48	
<i>Total Collections</i>	\$290,397.07	\$299,072.13	
License Fees:			
Aviation Fuel Tax Licenses	\$340.00	\$320.00	
Motor Vehicle Fuel Tax Licenses	\$480.00	\$340.00	
Special Fuels (Diesel-Heating-Kerosene) Tax Licenses	\$360.00	\$260.00	
Liquefied Petroleum Gas Tax Licenses	\$60.00	\$40.00	
<i>Total Collections</i>	\$1,240.00	\$960.00	
Cash Bonds:	\$10,000.00	\$4,600.00	
Tribal Tax Collections:			
Standing Rock	Gasoline/Gasohol - at \$0.23 Per Gallon	\$320,719.29	\$350,105.81
Standing Rock	Diesel - at \$0.23 Per Gallon	\$31,857.62	\$37,547.39
Spirit Lake	Gasoline/Gasohol -at \$0.23 Per Gallon	\$247,396.21	\$233,227.19
Spirit Lake	Diesel - at \$0.23 Per Gallon	\$13,261.48	\$1,740.22
Three Affiliated	Gasoline/Gasohol - at \$0.23 Per Gallon	\$899,624.47	\$904,671.14
Three Affiliated	Diesel - at \$0.23 Per Gallon	\$858,582.38	\$862,310.14
Turtle Mountain	Gasoline/Gasohol - at \$0.23 Per Gallon	\$670,007.10	\$649,621.00
Turtle Mountain	Diesel - at \$0.23 Per Gallon	\$37,038.35	\$50,938.51
<i>Total Tribe</i>	<i>Gasoline/Gasohol - at \$0.23 Per Gallon</i>	\$2,137,747.07	\$2,137,625.14
<i>Total Tribe</i>	<i>Diesel - at \$0.23 Per Gallon</i>	\$940,739.83	\$952,536.26
Grand Total of Collections- (No Tribes)		\$195,870,866.68	\$198,807,342.08
Grand Total of Refunds		\$2,038,905.14	\$2,020,666.93
Grand Total of Net Collections		\$193,831,961.54	\$196,786,675.15

AVIATION FUEL, MOTOR VEHICLE FUEL & SPECIAL FUEL TAXES TAXABLE GALLONS 2017-19 BIENNIUM

Aviation Fuel, Motor Vehicle Fuel, & Special Fuel Taxable Gallons	FY2018 Gallons	FY2019 Gallons
Aviation Fuel:		
Aviation Gas - at \$0.08 Per Gallon	1,554,372	1,605,708
Jet Fuel - at \$0.08 Per Gallon	20,127,238	21,497,966
<i>Total Taxable Gallons</i>	21,681,610	23,103,674
Gallons Refunded \$0.08 Per Gallon Tax at 4%	0	0
Other Refunds-US Gov Etc	206,654	91,196
<i>Net Collections at \$0.08</i>	21,474,956	23,012,478
Motor Vehicle Fuel:		
Gasoline - at \$0.23	67,186,739	69,955,282
Gasohol - at \$0.23	376,522,603	375,816,994
<i>Total Taxable Gallons</i>	443,709,342	445,792,276
Gallons on which Tax was Refunded	1,862,896	1,261,302
<i>Net Taxable Gallons</i>	441,846,446	444,510,974
Special Fuel:		
Diesel-Propane - \$0.23 Per Gallon	335,053,639	343,998,837
Diesel-Kerosene-Propane - at 2% or \$0.04 Per Gallon	452,587,767	480,875,221
Heating	80,783,578	91,389,757
<i>Total of Taxable Gallons</i>	868,424,984	916,263,815
<i>Gallons on which Tax was Refunded</i>	571,240	650,265
<i>Grand Total Net Taxable Gallons</i>	867,853,744	915,613,550
<i>Grand Total Taxable Gallons</i>	1,331,175,146	1,383,137,002

Aviation Fuel: A per gallon tax is levied on all aviation fuel. For this biennium the tax was \$.08 per gallon. The tax is refundable to emergency medical units and consumers. Consumers purchasing aviation fuel for use in aircraft may request a refund of the \$.08 per gallon tax. When a refund is granted, the consumer is assessed a tax of 4% of the price of the fuel. The 4% tax is assessed in lieu of the \$.08 per gallon tax and is deducted from the refund.

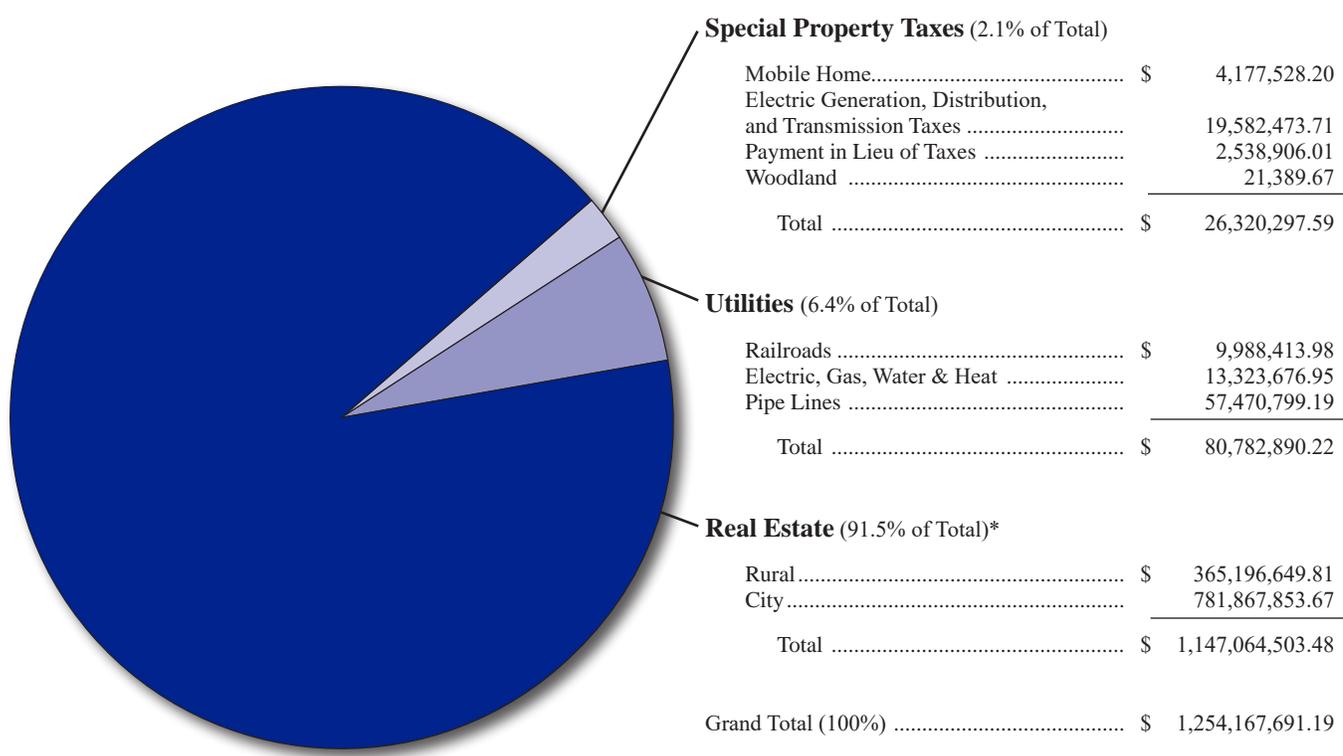
Motor Vehicle Fuel: A per gallon tax is levied on all motor vehicle fuel (gasoline and gasohol). For this biennium the tax was \$.23 per gallon. The tax is refundable when the fuel is for emergency medical service, or is used in non-licensed equipment for agricultural, industrial or railroad purpose. Refunds to industrial consumers are reduced by \$.005 per gallon. The \$.005 per gallon withheld is deposited into the Agriculturally Derived Fuel Tax Fund. Refunds to agriculture consumers are reduced by \$.07 per gallon. Of the \$.07 per gallon withheld, \$.1 per gallon is earmarked for ethanol production incentives, \$.02 per gallon is deposited into the Agriculturally Derived Tax Fund, and \$.04 per gallon is deposited into the Agricultural Research Fund.

Special Fuels: For this biennium the tax was \$.23 per gallon. The tax for dyed fuel and kerosene used in non-licensed equipment was \$.04 per gallon. A tax of 2% is levied on propane. Fuel that qualified for heating fuel purposes, including dyed fuel, kerosene, and propane, is exempt from tax. The Tax is refundable for emergency medical service. Refrigeration units using clear diesel may receive a refund on the difference between the \$.23 and \$.04 tax.

Administration: The fuel taxes are administered by the Tax Commissioner. The Motor Fuel Tax Section is part of the Tax Administration Division. A portion of the motor fuel tax collections are set aside in an operating fund for the administration of the tax. The remaining tax collections are disbursed according to statutes.

Tribal Taxes: The Standing Rock Sioux, Spirit Lake Tribes, Three Affiliated Tribes, and Turtle Mountain Tribes passed ordinances imposing a \$.23 per gallon motor vehicle fuel tax and a \$.23 per gallon special fuel tax. The State of North Dakota and the Office of State Tax Commissioner entered into an agreement to collect the tax for the Tribes.

SOURCES OF GENERAL AD VALOREM PROPERTY TAXES, SPECIAL PROPERTY TAXES & SPECIAL ASSESSMENTS (LEVIED IN 2018 - PAYABLE IN 2019)



* Includes all special assessments.

Source: 2018 Property Tax Statistical Report compiled by the Office of State Tax Commissioner.

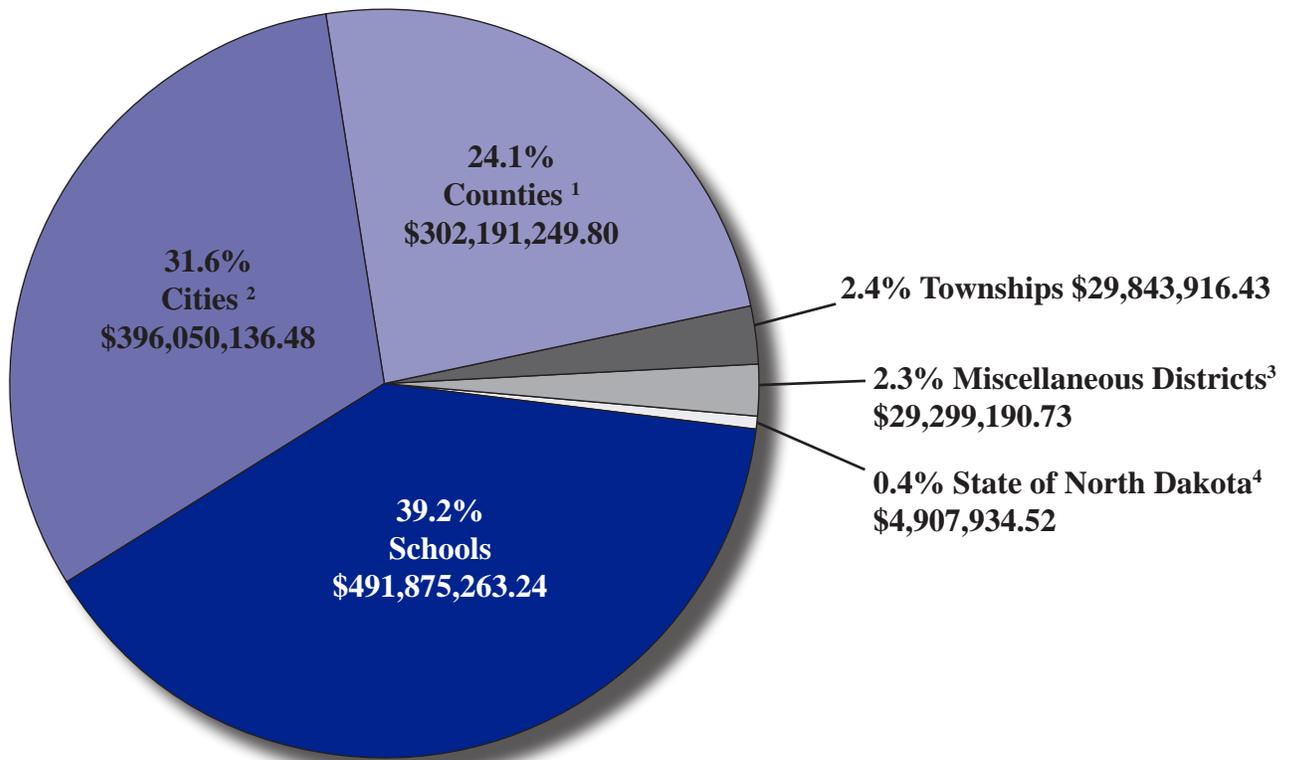
Property Tax

Real property owned by a corporation, partnership, individual, estate or trust is subject to a tax based on its valuation. The property tax, except the tax on the operating property of railroads and other utilities, is assessed locally. The property tax is collected and distributed by the county to the county, cities, townships, school districts, and other taxing districts. The North Dakota Century Code has provided that assessments be at true and full value and that assessed value be computed at 50% of true and full value. Also, true and full value of agricultural property is based upon productivity. Beginning with taxes levied in 1981 (payable in 1982) and thereafter, the assessed value is 50% of true and full value and taxable value is a percentage of assessed value according to the percentages established by the Legislature for the various classes of property as follows: residential property at 9%, commercial, railroad and airline property at 10% and agricultural property at 10%. All wind generation units with a nameplate capacity of 100 kilowatts or more completing construction after December 31, 2014 and those that are 20 years or more from the first assessment date will be subject to payments in lieu of property tax under N.D.C.C. § 57-33.2-04 as well as all administrative provisions of N.D.C.C. ch. 57-33.2.

The assessed valuation of railroad and public utility property is centrally determined by the State Board of Equalization. Electric generation distribution and transmission companies that are not subject to taxation under N.D.C.C. ch. 57-06 are subject to electrical generation distribution and transmission taxes under N.D.C.C. ch. 57-33.2. All telecommunications companies are subject to a gross receipts tax.

Instead of a property tax, large electrical generating plants are subject to a tax on installed capacity and electricity produced for sale through the coal conversion facilities privilege tax.

DISTRIBUTION OF GENERAL AD VALOREM PROPERTY TAXES, SPECIAL PROPERTY TAXES & SPECIAL ASSESSMENTS (LEVIED IN 2018 - PAYABLE IN 2019)



Grand Total - \$1,254,167,691.20

¹ Including County Park Districts, County Libraries, County Airports, Unorganized Townships, Water Resource and Joint Water Resource Districts.

² Including City Park Districts, City Special Assessments, and tax increments.

³ Garrison Diversion, Rural Fire Districts, Southwest Water Authority, Soil Conservation Districts, Rural Ambulance Districts, Hospital District, Recreation Service Districts and All Special Assessments for Rural Districts.

⁴ Constitutional one mill levy for the Medical Center at the University of North Dakota.

Source: 2018 Property Tax Statistical Report compiled by the Office of State Tax Commissioner.

PROPERTY TAX REFUNDS & CREDITS FOR SENIOR CITIZENS & PERSONS WITH PERMANENT & TOTAL DISABILITIES

<u>Tax Year</u>	<u>Number of Persons Receiving Renter's Refunds</u>	<u>Renter Refunds Paid</u>	<u>Number of Persons Receiving Homeowner's Credits</u>	<u>Homeowner's Credits Tax Amount</u>
2006	1,302	188,418	3,677	2,008,310
2007	1,998	287,682	3,466	2,342,186
2008	2,051	302,362	3,715	2,396,968
2009	2,400	550,955	3,977	2,912,719
2010	2,367	584,610	4,451	3,375,376
2011	2,260	581,965	4,359	3,307,844
2012	2,284	583,706	4,265	3,347,838
2013	2,680	724,635	6,740	4,922,251
2014	2,814	779,249	8,964	6,468,586
2015	2,749	772,100	8,659	6,112,599
2016	2,497	724,444	8,621	6,920,844
2017	2,709	785,912	9,705	7,141,146
2018	2,844	784,728	9,399	7,500,709

The North Dakota Legislature has provided a homestead property tax credit program since 1969. Persons 65 years of age or older, or totally and permanently disabled, who meet the requirements of the program are eligible to receive a credit to reduce property taxes on their home. Qualified renters receive a partial refund of their rent. Since 1977 the maximum income eligibility limit has been adjusted by the Legislature as follows: from \$8,000 to \$9,000 in 1979, to \$10,000 in 1981, to \$12,000 in 1985, to \$13,000 in 1989, to \$13,500 in 1995, to 14,000 in 1999, to \$14,500 in 2005, to \$17,500 in 2007, to \$26,000 in 2009, and to \$42,000 in 2013.

The 2015 Legislature increased the value of the homestead for purposes of the credit from \$100,000 to \$125,000 beginning with tax year 2016.

The credit for eligible homeowners is a reduction in the taxable value of the homestead as determined by the following schedule:

FOR TAXES LEVIED IN 2017 AND 2018 (PAYABLE IN 2018 AND 2019)

<u>Income of</u>	<u>Reduction</u>	<u>Maximum Reduction</u>
\$ 0 - \$22,000	100%	\$5,625
\$22,001 - \$26,000	80%	4,500
\$26,001 - \$30,000	60%	3,375
\$30,001 - \$34,000	40%	2,250
\$34,001 - \$38,000	20%	1,125
\$38,001 - \$42,000	10%	563

Eligible renters receive a refund of a portion of rent deemed to represent property taxes when 20% of their total annual rent exceeds 4% of their total annual income. Charges for such services as heat, light and furniture must be excluded when determining the annual rent payment for the purposes of renter's refund. The maximum refund allowable to a renter was \$240 and was increased to \$400 in 2009.

PROPERTY TAX CREDITS FOR DISABLED VETERANS

Tax Year	Number of Qualifying Disabled Veterans	Disabled Veterans' Credit Tax Amount
2009	1,513	\$ 1,627,763.06
2010	1,849	1,961,238.32
2011	2,206	2,321,952.01
2012	2,460	2,595,509.12
2013	2,661	2,764,831.61
2014	2,902	3,071,485.38
2015	3,111	3,544,430.33
2016	3,329	3,771,606.86
2017	3,571	4,083,488.80
2018	4,017	4,722,741.64

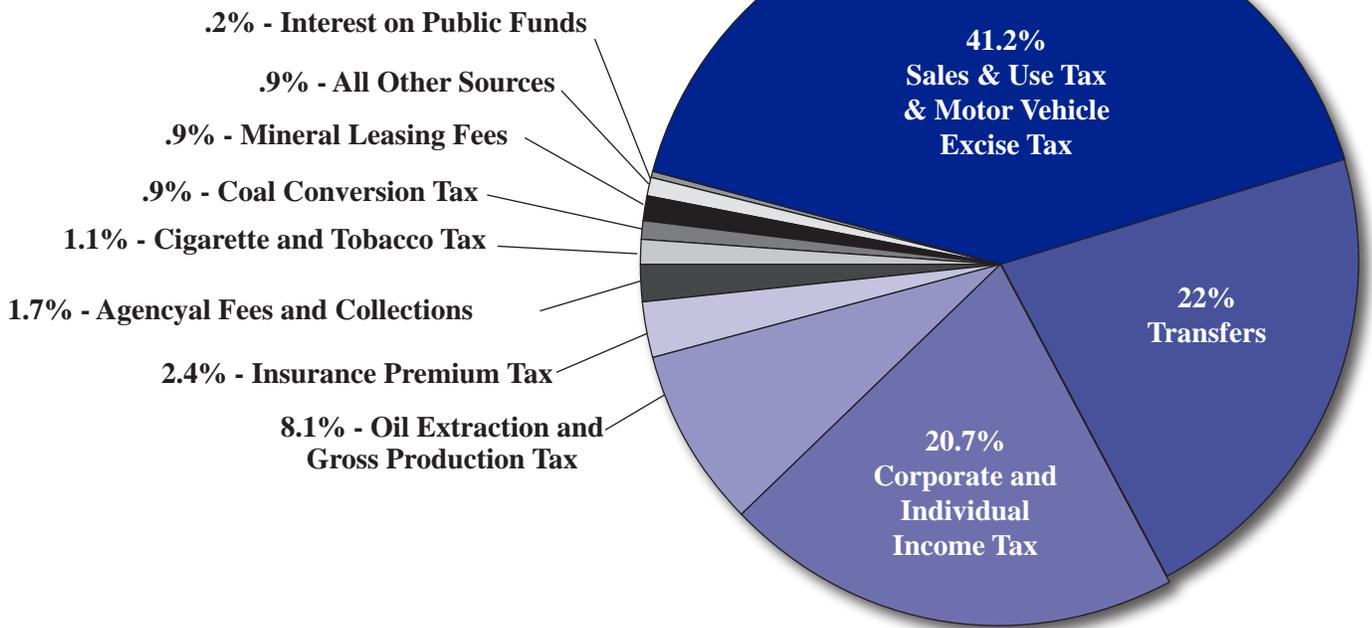
Prior to 2009, a property tax exemption existed for disabled veterans with at least 50 percent service-connected disability and limited income. The 2009 Legislature repealed that exemption and enacted N.D.C.C. § 57-02-08.8, which provides a credit for disabled veterans with at least 50 percent service-connected disability. The credit is equal to the veteran's compensation rating for service-connected disabilities, applied against the first \$6,750 dollars of taxable valuation of the homestead owned and occupied by the disabled veteran. There is no income test. An unremarried surviving spouse of an eligible disabled veteran is also eligible for the credit. The State reimburses counties for tax revenue lost by political subdivisions due to the credits.

The 2011 Legislature provided that a disabled veteran who has an extra-schedular rating to include individual unemployability that brings the veteran's total disability rating to 100 percent is also eligible for the credit. An unremarried surviving spouse who is receiving agency of veterans' affairs dependency and indemnity compensation receives a 100 percent exemption.

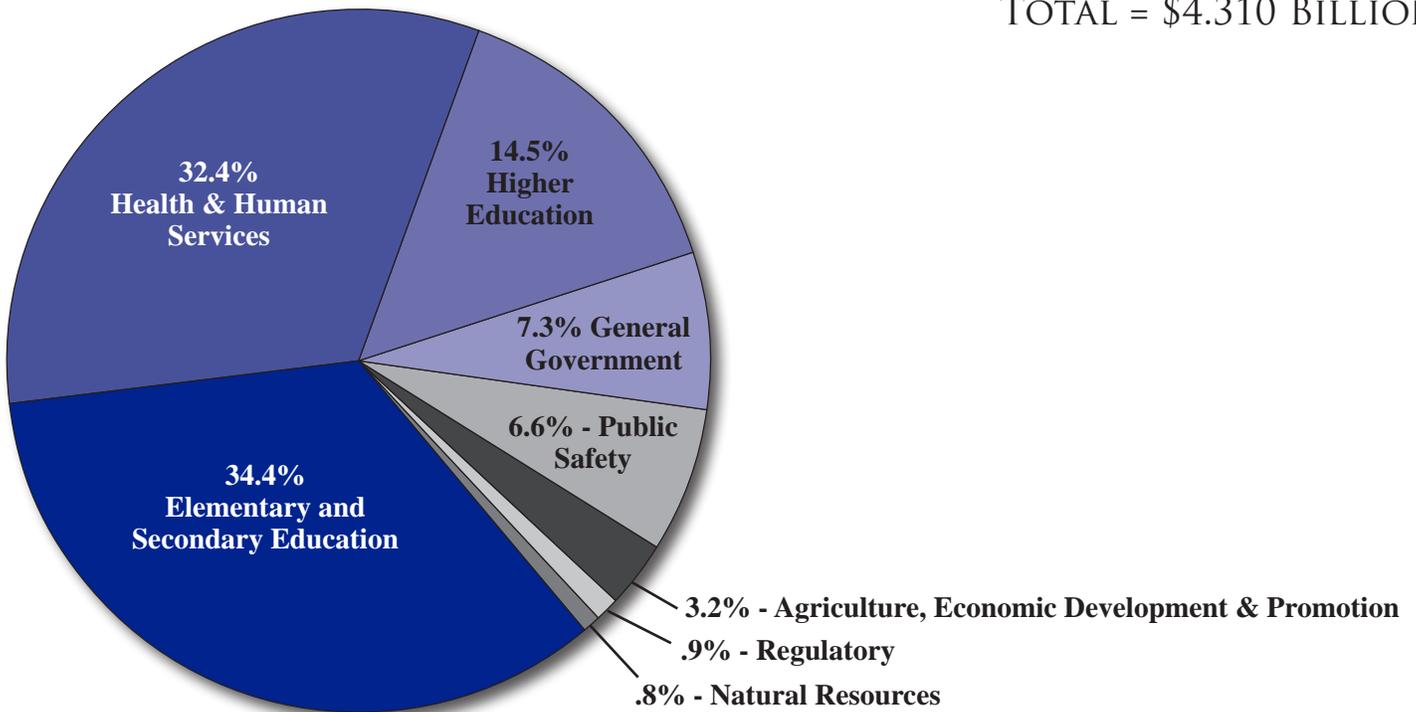
The 2015 Legislature included land in the determination of the maximum credit available to disabled veterans or qualifying unremarried spouses.

STATE GENERAL FUND REVENUES & EXPENDITURES IN 2017-19 BIENNIUM

2017-2019 GENERAL FUND REVENUE SOURCES
TOTAL = \$4.913 BILLION



2017-2019 GENERAL FUND APPROPRIATIONS BY PROGRAM
TOTAL = \$4.310 BILLION



Source: Office of Management and Budget, November 2015.

STATEMENT OF EXPENDITURES FOR THE 2017-19 BIENNIUM

	Commissioner's Division	Legal Division	Fiscal Mgmt. Division	Taxpayer Services Division	Property & Utility Taxes Division	Info Mgmt & IT Division	Disabled Veterans Credit	Homestead Tax Credit	Total
Salaries & Wages									
FY 18	\$838,821.74	\$568,545.47	\$607,918.49	\$6,536,128.25	\$495,620.76	\$1,293,275.44			\$10,340,310.15
FY 19	892,336.13	565,823.95	646,472.95	6,092,611.54	492,984.03	1,241,108.39			\$9,931,336.99
Information Services									
FY 18	5,680.04	1,854.78	2,525.82	41,014.04	3,541.65	485,921.42			\$540,537.75
FY 19	5,502.83	1,936.37	2,374.08	39,457.66	3,149.68	513,071.36			\$565,491.98
Operating Expenses									
FY 18	34,757.54	59,327.95	88,262.57	392,020.14	27,352.32	1,815,441.23			\$2,417,161.75
FY 19	29,602.32	56,744.45	375,653.51	460,301.16	24,449.11	2,025,850.19			\$2,972,600.74
Equipment									
FY 18									\$-
FY 19									\$-
Disabled Veterans Credit									
FY 18							4,083,488.80		\$4,083,488.80
FY 19							4,722,741.64		\$4,722,741.64
Homestead Tax Credit									
FY 18								7,930,057.92	\$7,930,057.92
FY 19								8,288,564.61	\$8,288,564.61
Total									
FY 18	\$879,259.32	\$629,728.20	\$698,706.88	\$6,969,162.43	\$526,514.73	\$3,594,638.09	\$4,083,488.80	\$7,930,057.92	\$25,311,556.37
FY 19	\$927,441.28	\$624,504.77	\$1,024,500.54	\$6,592,370.36	\$520,582.82	\$3,780,029.94	\$4,722,741.64	\$8,288,564.61	\$26,480,735.96
Biennial Total	\$1,806,700.60	\$1,254,232.97	\$1,723,207.42	\$13,561,532.79	\$1,047,097.55	\$7,374,668.03	\$8,806,230.44	\$16,218,622.53	\$51,792,292.33

RESOURCES AVAILABLE FROM THE OFFICE OF STATE TAX COMMISSIONER

ADMINISTRATION

- Biennial Report of the Office of State Tax Commissioner
- Brochures
 - Culture Book: Working for the Office of State Tax Commissioner
 - Tax Incentives for Businesses Booklet
 - How to Protest a Tax Assessment or a Denial of a Claim for Refund
- State and Local Taxes: An Overview and Comparative Guide (a.k.a. The Red Book)
- Taxpayer Bill of Rights
- Business Reports, Forms and Licenses Required in the State of North Dakota

TAX ADMINISTRATION

- Brochures:
 - No Dyed Fuel on the Highway
 - Canadian Requests for Refunds
 - North Dakota Sales Tax
- Guidelines
 - Income Tax - Income Withholding Tax
 - Sales and Use Tax - Local Option Taxes
- Income Withholding Tax Information for Employers
- Income Withholding Tax Tables
- Information at the Source Return Requirements and Procedures
- Newsletters
 - Income Tax - Oil and Gas
 - Wholesale Alcohol - Motor Fuels
 - Sales and Use
- Notification of the Gas Tax Rate
- Sales and Use Tax Rate Charts
- Statistical Reports
 - Sales and Use Tax
 - Income Taxes by School District
- Supplemental Tax Guide for U.S. Armed Forces
- Tax Law and Administrative Rules
 - Alcohol Tax - Income Tax
 - Aviation Fuel Tax - Motor Vehicle Fuel Tax
 - Aviation Excise Tax - Motor Veh. Excise Tax
 - Cig. & Tobacco Taxes - Oil and Gas Tax
 - Estate Tax - Sales and Use Tax
 - Special Fuel Tax - Gross Receipts Taxes

PROPERTY TAX

- Brochures
 - Certification of North Dakota Assessment Officials
 - Homestead Credit for Senior Citizens or Disabled Persons
 - Property Tax Exemption for Improvements to Residential or Commercial Buildings or Structures
 - Guide to Assessing Agricultural Land in North Dakota
 - Disabled Veterans Property Tax Credit
 - How to Testify Before the State Board of Equalization
- Education Schedule
- Guidelines
- Levy Limitation Schedule
- Manuals
 - Supervised Home Study Manual
 - Assessor's Manual
 - Tax Director's Teaching Manual
- Newsletter
- North Dakota Sales Ratio Report
- Proceedings of the State Board of Equalization
- Statistical Reports
- Tax Law and Administrative Rules
 - Coal Conversion Tax
 - Coal Severance Tax
 - Property Tax

Most of the above publications are available online at: www.nd.gov/tax

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NORTH DAKOTA

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