



Brian Kroshus, Tax Commissioner

ANNUAL OIL PRICE TRIGGER ADJUSTMENT

TO: North Dakota Oil Producers and Purchasers
FROM: Office of State Tax Commissioner
SUBJECT: Notification of Oil Trigger Price Adjustment for Calendar Year 2026
DATE: January 23, 2026

In keeping with the provisions of North Dakota Century Code (N.D.C.C.) § 57-51.1-02, the North Dakota Office of State Tax Commissioner has determined that the oil trigger price for the calendar year January 1, 2026, through December 31, 2026, is \$117.20. Please note that with the passing of HB 1286 in the 2023 legislative session, this section only applies to wells located within the exterior boundaries of a reservation and any straddle wells as defined in N.D.C.C. § 57-51.1-07.10.

For your information, the following steps determined the trigger price for calendar year 2026:

STEP 1 - The annual average of the industrial commodities producer price index, commodity code 03 thru 15, as published by the U.S. Department of Labor, Bureau of Labor Statistics, for fiscal year 2025 was computed from the data shown below.

July	2024	257.927
August	2024	256.134
September	2024	252.503
October	2024	253.396
November	2024	252.129
December	2024	252.172
January	2025	256.408
February	2025	257.692
March	2025	257.409
April	2025	257.526
May	2025	257.544
June	2025	259.422
Annual Average		255.855

STEP 2 - A base rate adjustment of 1.30226 was computed by dividing the 2025 fiscal year average price index of 255.855 by the base rate index of 196.47, which was determined using the 2015 fiscal year average (i.e., $255.855 / 196.47 = 1.30226$).

STEP 3 - The effective trigger price of \$117.20 for calendar year 2026 was computed by multiplying \$90.00 times the base rate adjustment of 1.30226 (i.e., $\$90.00 \times 1.30226 = \117.20).

In accordance with N.D.C.C. § 57-51.1-02, if the average price of a barrel of crude oil exceeds the trigger price for each month in any consecutive three-month period, then the rate of tax on oil extracted from all taxable wells is six percent of the gross value at the well of the oil extracted until the average price of a barrel of crude oil is less than the trigger price for each month in any consecutive three-month period, in which case the rate of tax reverts to five percent of the gross value at the well of the oil extracted.

The trigger price adjustment is published on the Office of State Tax Commissioner’s website located at: www.tax.nd.gov. If you have any questions regarding this notification, please contact the Oil and Gas Tax Section at 701-328-2705 or by email at oiltax@nd.gov.