



**COAL SEVERANCE TAX**  
 OFFICE OF STATE TAX COMMISSIONER  
 SFN 25831 (6-2021)

**081**

(North Dakota Century Code (N.D.C.C.) ch. 57-61)

|  |  |       |                  |
|--|--|-------|------------------|
| Month/Year of Report   | For coal or commercial leonardite severed in the county of |       |                  |
| Coal or commercial leonardite mine owner or operator                   | Mine Name  |       |                  |
| Address  | City   | State | ZIP code         |
| Individual to whom questions concerning this report should be directed | Title  |       | Telephone number |
| Address (if different from above)                                      | City   | State | ZIP code         |

**Please complete Schedule A on back before proceeding (See instructions.)**

|  |          |          |
|--|----------|----------|
| 1. Total number of tons of coal or commercial leonardite mined during month (from Schedule A) .....  |          |          |
| 2. Less: Number of tons placed into a long-term inventory storage deposit .....  |          |          |
| 3. Balance (line 1 minus line 2) .....   |          |          |
| 4. Plus: Number of tons removed from long-term inventory storage deposit or pledged as collateral on a loan .....  |          |          |
| 5. Total number of tons of coal or commercial leonardite severed during month (line 3 plus line 4) .....   |          |          |
| 6. Less: Tax-exempt tons (see instructions) .....  |          |          |
| 7. Total number of tons of coal or commercial leonardite subject to severance tax (line 5 minus line 6) .....  |          |          |
| 8. Rate per ton (lignite research fund tax) .....  |          | \$0.02   |
| 9. Tax on tonnage on line 7 (line 8 times line 7) .....  |          |          |
| 10. Number of tons to be burned in a cogeneration facility designed to use renewable resources to generate 10 percent or more of its energy output ..... |          |          |
| 11. Rate per ton (50 percent of \$0.375) .....   |          | \$0.1875 |
| 12. Tax on tonnage on line 10 (line 11 times line 10) .....  |          |          |
| 13. Number of tons shipped out of state this month .....   |          |          |
| 14. County rate per ton (70 percent of \$0.375) .....  | \$0.2625 |          |
| 15. Less: Tax exemption granted by county, if any (____ percent times line 14) .....   |          |          |
| 16. Adjusted county severance tax rate (line 14 minus line 15) .....   |          |          |
| 17. Trust fund rate per ton (30 percent of \$0.375) .....  | \$0.1125 |          |
| 18. Tax rate for tonnage on line 13 (line 16 plus line 17) .....   |          |          |
| 19. Tax on tonnage on line 13 (line 18 times line 13) .....  |          |          |
| 20. Number of tons subject to severance tax at 100 percent (line 7 minus lines 10 and 13) .....  |          |          |
| 21. Rate per ton .....   |          | \$0.375  |
| 22. Tax on tonnage on line 20 (line 21 times line 20) .....  |          |          |
| 23. Less: Tax exemption granted by county, if any (____ percent times line 22) .....   |          |          |
| 24. Tax on tonnage on line 20 (line 22 minus line 23) .....  |          |          |
| 25. <b>Total Tax Due</b> (line 9 + line 12 + line 19 + line 22 or line 24) .....   |          |          |

|                      |      |
|----------------------|------|
| Signature of Officer | Date |
|----------------------|------|

**Schedule A**

List below the number of tons of coal or commercial leonardite mined by location within the county shown on reverse side:

| Legal Description Of Land From Which Mined (See Instructions) | Total Number of Tons Mined During Month |
|---|---|
|   |   |
| <b>Total</b>  |   |

**Coal Severance Tax Instructions**

Pursuant to North Dakota Century Code ch. 57-61, each coal or commercial leonardite mine owner or operator is required to file a monthly report indicating the number of tons of coal or commercial leonardite severed for sale or for industrial purposes. Coal or commercial leonardite is considered to be severed, for the purposes of this chapter, when it is first removed from where it was placed by nature, unless within thirty days of first removal it is placed into a long-term inventory storage deposit, in which case it is considered to be severed when it is removed from the deposit or pledged as collateral on a loan. The report is to be filed in the Office of State Tax Commissioner, 600 E. Boulevard Ave., Dept. 127, Bismarck, North Dakota 58505-0599, within twenty-five days after the end of the month for which it is made. Payment of the amount of severance tax due must accompany the report. A separate report is required for each county in which coal or commercial leonardite is severed.

On Schedule A, list the number of tons of coal or commercial leonardite mined by legal description (by quarter section, if available, and if not available, by legal description contained in lease or other instrument of ownership) of land from which the coal or commercial leonardite is removed. Attach additional schedules if necessary.

**Requirements Regarding Tax Exempt Coal Or Coal Qualifying For Reduced Coal Severance Tax Rate**

- Line 6. Tax-exempt coal:** The coal mine owner or operator shall require the person purchasing coal to be used for the following purposes to certify the amount of coal purchased that will be used for those purposes:
  - Coal to be used primarily for heating buildings in this state, including the heating of buildings with steam created by the burning of coal or coal used by the state or any political subdivision of the state. [N.D.C.C. § 57-61-01.1]
  - Coal used in, or coal used to produce steam that is used in agricultural commodity processing facilities as defined in N.D.C.C. § 57-39.2-04.4(4) located within North Dakota or adjacent states or any facility owned by the state or a political subdivision of the state. [N.D.C.C. § 57-61-01.4]
  - Coal purchased for improvement through the process of coal beneficiation defined in N.D.C.C. § 57-60-01 which is subsequently used, or used to produce steam that is used in agricultural commodity processing facilities within North Dakota or adjacent states or any facility owned by the state or a political subdivision of the state. [N.D.C.C. § 57-61-01.4]
- Line 10. Coal qualifying for reduced coal severance tax rate:** The coal mine owner or operator must certify, or require the person purchasing the coal which is to be burned in a cogeneration facility which is designed to use renewable resources as fuel to generate ten percent or more of its energy output measured in British thermal units to certify that the coal will be used in the manner required to qualify for the reduced tax rate. The Office of State Tax Commissioner prefers that the certifications be made by the purchaser.
- Line 15. Tax exemption granted by county:** Enter the percentage of the county’s share of the coal severance tax for which the county granted an exemption, and multiply the amount on Line 14 by that percentage. Include a copy of the county’s resolution granting the exemption with the initial report. [N.D.C.C. § 57-61-01.7(2)]
- Line 23. Tax exemption granted by county:** Enter the percentage of the county’s share of the coal severance tax for which the county granted an exemption, and multiply the amount on Line 22 by that percentage. Include a copy of the county’s resolution granting the exemption with the initial report. [N.D.C.C. § 57-61-01(2)]

Certifications relative to Lines 6 and 10 shall include the date of purchase, name and address of purchaser, number of tons of coal purchased, and purpose for which purchased, and shall be retained by the coal mine owner or operator.

If you have any questions or need additional information, you may call 701-328-3128.