



## ANNUAL OIL TRIGGER PRICE ADJUSTMENT

**TO:** North Dakota Oil Producers and Purchasers  
**FROM:** Office of State Tax Commissioner  
**SUBJECT:** Notification of Oil Trigger Price Adjustment for Calendar Year 2023  
**DATE:** December 14, 2022

In keeping with the provisions of North Dakota Century Code (N.D.C.C.) § 57-51.1-02, the Tax Commissioner has determined that the oil trigger price for the calendar year January 1, 2023, through December 31, 2023, is \$115.55.

For your information, the following steps determined the trigger price for calendar year 2023:

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 2022 was computed from the data shown below.

July	2021	233.342
August	2021	234.559
September	2021	237.224
October	2021	243.292
November	2021	246.079
December	2021	243.197
January	2022	248.353
February	2022	254.505
March	2022	261.472
April	2022	266.192
May	2022	275.185
June	2022	<u>283.567</u>
Annual Average		252.247

STEP 2 - A base rate adjustment of 1.28391 was computed by dividing the 2022 fiscal year average price index of 252.247 by the base rate index of 196.47, which was determined using the 2015 fiscal year average (i.e.,  $252.247 / 196.47 = 1.28390$ ).

STEP 3 - The effective trigger price of \$115.55 for calendar year 2023 was computed by multiplying \$90.00 times the base rate adjustment of 1.28390 (i.e.,  $\$90.00 \times 1.28390 = \$115.55$ ).

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/OilGas](http://www.tax.nd.gov/OilGas). 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](mailto:oiltax@nd.gov).