



GAS TAX RATE NOTICE

TO: North Dakota Gas Producers and Purchasers

FROM: North Dakota Office of State Tax Commissioner

SUBJECT: Notification of Gas Tax Rate for Fiscal Year 2023

DATE: June 1, 2022

In keeping with the provisions of North Dakota Century Code (N.D.C.C.) § 57-51-02.2, the Tax Commissioner has determined that the gas tax rate for the fiscal year beginning July 1, 2022, through June 30, 2023 is \$.0905 per mcf. The gross production tax on gas produced during this time period must be calculated by taking the taxable production in mcf times the \$.0905 tax rate.

For your information, the gas tax rate for fiscal year 2023 was determined by the following steps:

STEP 1 - The annual average of the gas fuels producer price index, commodity code 05-3, as published by the U.S. Department of Labor, Bureau of Labor Statistics, for calendar year 2021 was computed from the data shown below.

January	115.7
February	183.1
March	128.1
April	115.4
May	129.5
June	135.5
July	162.6
August	176.1
September	199.7
October	246.3
November	249.6
December	<u>212.9</u>
Annual Average	171.2

STEP 2 - A gas base rate adjustment of 2.2616 was computed by dividing the annual average price index by the denominator specified in statute, i.e., 171.2 divided by 75.7.

STEP 3 - The gas tax rate of \$.0905 was computed by multiplying \$.04 times the gas base rate adjustment of 2.2616, with the resultant rounded to four places after the decimal.

The gas tax rate is published on the Office of State Tax Commissioner’s website at 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 oiltax@nd.gov.