



## GAS TAX RATE NOTICE

**TO:** North Dakota Gas Producers and Purchasers  
**FROM:** Office of State Tax Commissioner  
**SUBJECT:** Notification of Gas Tax Rate for Fiscal Year 2022  
**DATE:** June 1, 2021

In keeping with the provisions of North Dakota Century Code § 57-51-02.2, the Tax Commissioner has determined that the gas tax rate for the fiscal year beginning July 1, 2021, through June 30, 2022 is \$.0405 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 \$.0405 tax rate.

For your information, the gas tax rate for fiscal year 2022 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 2020 was computed from the data shown below.

January	83.8
February	70.9
March	60.4
April	51.7
May	65.6
June	65.4
July	63.7
August	75.6
September	86.3
October	79.4
November	107.2
December	<u>109.6</u>
Annual Average	76.6

STEP 2 - A gas base rate adjustment of 1.0119 was computed by dividing the annual average price index by the denominator specified in the statute, i.e., 76.6 divided by 75.7.

STEP 3 - The gas tax rate of \$.0405 was computed by multiplying \$.04 times the gas base rate adjustment of 1.0119, with the resultant rounded to four places after the decimal.

The gas tax rate is also published on the Office of State Tax Commissioner’s website at: [www.nd.gov/tax/GasTaxRate](http://www.nd.gov/tax/GasTaxRate). 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).