

# Oil and Gas Tax Revenues

2024 Update



## Purpose

North Dakota's oil and gas industry has been a long-time cornerstone of the state's economy – driving growth, creating jobs, and generating significant tax revenues. These revenues play a vital role in shaping the quality of life for residents by funding essential public services, strengthening local communities, and securing a prosperous future. From supporting schools and infrastructure to preserving natural resources and fostering economic stability, the impact of oil and gas tax revenues reaches every corner of the state.

The Oil and Gas Tax Study explores the multifaceted ways revenues from the Extraction Tax and Gross Production Tax are collected and allocated, and highlights their influence on daily life in North Dakota. The study includes collections from fiscal years 2008 to 2024.

## Supporting Organizations

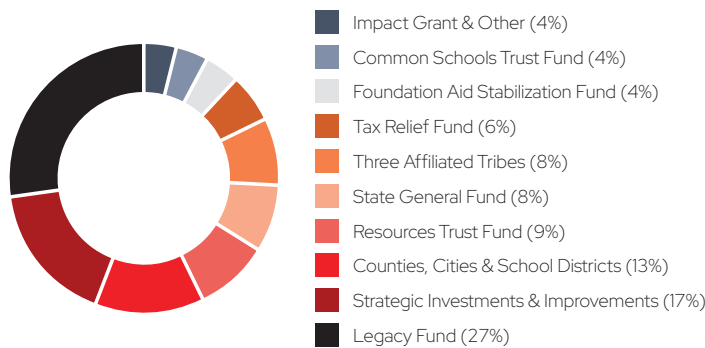
### North Dakota Petroleum Foundation

Promote and enhance the discovery, development, production, transportation, refining, conservation, and marketing of oil and gas in North Dakota, South Dakota, and the Rocky Mountain region; to promote opportunities for open discussion, lawful interchange of information, and education concerning the petroleum industry; to monitor and influence legislative and regulatory activities on the state and national level; and to accumulate and disseminate information concerning the petroleum industry to foster the best interests of the public and industry.

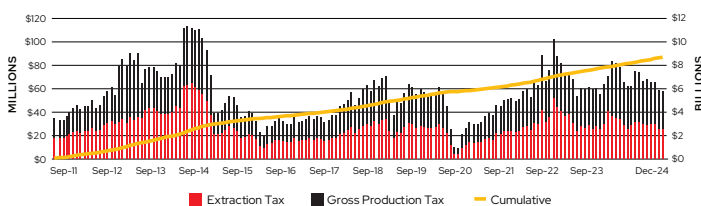
### Western Dakota Energy Association

Supports sustainable energy development and responsible revenue sharing for its members, and promotes the greater good of North Dakota.

## Oil & Gas Tax Distributions | 2008 - 2024 FY



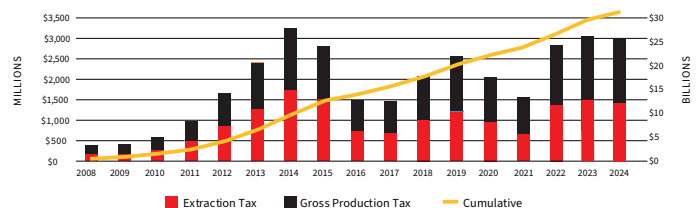
## Legacy Fund | 2011 - 2024



CUMULATIVE BALANCE AS OF DEC. 2024:

**\$8,896,187,866**

## Total Oil Tax Collections



## Gross Production Tax

Gross value of oil production at the well, less any part which is specifically exempt, is taxed in lieu of property taxes on the oil and gas production properties. Gas production is taxed on a volume basis at a rate determined by the movement of a fuels cost index. **The current gross production tax rate is 5%.**

In 2023 and 2024, Gross Production Tax revenue was more than \$3.3 billion. This tax helps provide a steady revenue stream to cities, counties, schools, and townships, keeping local property taxes low.

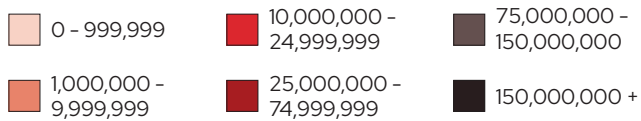
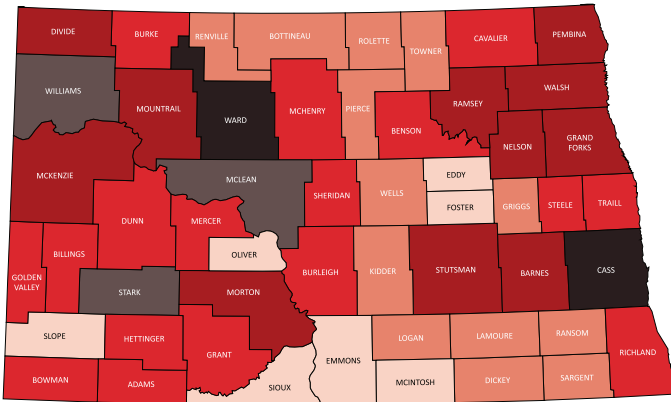
## Extraction Tax

The gross value of oil production at the well, less any part which is specifically exempt. **The current extraction tax rate is 5%.** In 2023 and 2024, the Extraction Tax brought in nearly \$3 billion to North Dakota to support statewide initiatives and programs.

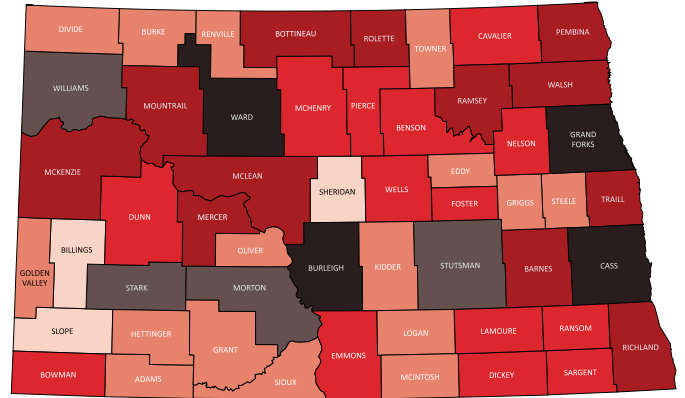
# Benefits for the Entire State

The oil and gas taxes are deposited into various funds that are used to support investments around the state. Some key areas supported by these funds include water projects (Resource Trust Fund), K-12 education (Common Schools Trust Fund and Foundation Aid Stabilization Fund), and transportation improvements throughout the state. Local communities benefit from tax relief and infrastructure improvements (Tax Relief Fund and Counties/Cities/School Districts allocation).

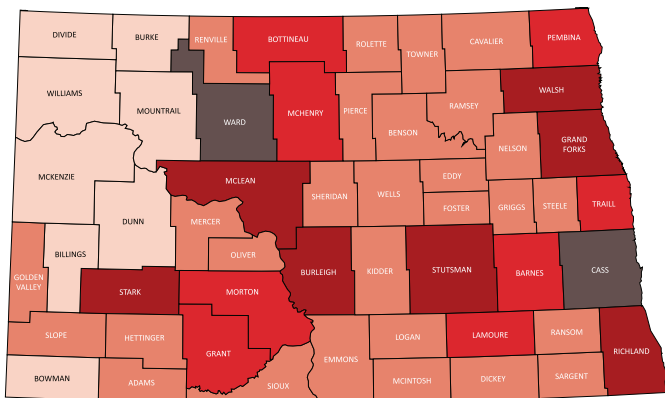
## Water



## Property Tax



## Transportation



## School Funding

