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**2024 OIL & GAS TAX REVENUE STUDY:
HOW NORTH DAKOTA'S ENERGY INDUSTRY FUELS COMMUNITIES**

North Dakota's strong economy relies significantly on oil and gas taxes and revenues, which have averaged **more than 50% of the State's local tax collections** over the past decade.

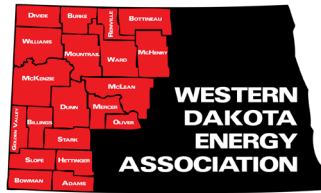
"Oil extraction and production tax revenues help fund roads and bridges, high-quality education, public safety, safe drinking water, tax relief, and much more," said Geoff Simon, Executive Director at the Western Dakota Energy Association. "From infrastructure and research investments to budget stabilization and quality of life projects, oil and gas tax revenues benefit each and every North Dakota resident."

The Western Dakota Energy Association and the North Dakota Petroleum Council collaborate each biennium to develop the Oil and Gas Tax Revenue Study, which reviews extraction and gross production tax collections in North Dakota. The most recent study has been released and includes collections from fiscal years 2008 to 2024.

This report explores the multifaceted ways revenues from the Extraction and Gross Production Tax are allocated and highlights their influence on daily life in North Dakota. By examining key programs and initiatives funded by these revenues as distributed by the State Legislature, the study provides residents with a comprehensive understanding of how this critical resource benefits them today and supports the state's long-term resilience.

This study provides an overview of oil tax sources and distributions by type and county, with a focus on key funding areas such as property tax relief, safe drinking water infrastructure, and education.

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The Extraction Tax supports broader state initiatives and programs, including the following constitutional funds: the Common Schools Trust Fund, the Foundation Aid Stabilization Fund, the Resources Trust Fund and the Legacy Fund.

The Gross Production Tax serves as a substitute for property tax on oil and gas production. Instead of taxing the value of the mineral reserves as property, this tax is assessed on the actual production. This tax provides revenues to support local governments, providing revenues for cities, counties, schools, and townships. Additionally, the revenues support the state's general fund and numerous programs, including Operation Prairie Dog.

With a focus on the future, state law requires that 30% of total oil and gas revenue be transferred into the Legacy Fund, a special fund designed to be a perpetual source of revenue for essential state needs. It is designed as a long-term vision for financial security, ensuring that oil wealth benefits residents both today and in the future. No more than 5% of the Legacy Fund's principal earnings may be appropriated each biennium. Past appropriations have supported tax relief and major infrastructure projects across the state.

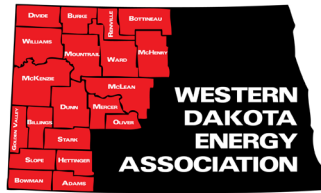
Key Highlights for the 2024 Oil & Gas Tax Revenue Study:

- Extraction and production tax revenues have provided **more than \$32 billion in financial support** since 2008.
- In fiscal years 2023 and 2024, extraction and production taxes brought in approximately **\$6 billion**.
- The cumulative balance of the Legacy Fund (27% of oil and gas tax distributions) as of December 2024 is \$8,896,187,866.
- Legacy Fund appropriations for 2021-2023 were \$486,568,637.

Data sources for this study include the North Dakota Department of Mineral Resources, the Department of Water Resources, the State Tax Department, the Office of the State Treasurer, the Office of Management and Budget, the Legislative Council, the State Investment Board, the Department of Public Instruction, and the Department of Transportation.

To access the 2024 Oil & Gas Study, as well as previous versions, visit the Western Dakota Energy Association website at [TaxStudy.NDEnergy.org](https://www.taxstudy.ndenergy.org).

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About the Study Sponsors

The Western Dakota Energy Association (WDEA) is a membership organization comprised of 20 counties, as well as cities and school districts in the oil and coal-producing regions of North Dakota. WDEA supports sustainable energy development and responsible revenue sharing for its members.

The North Dakota Petroleum Council (NDPC) has been the primary voice of the oil and gas industry in the state since 1952. NDPC promotes and enhances the discovery, development, production, transportation, refining, conservation and marketing of oil and gas in North Dakota, as well as South Dakota and the Rocky Mountain region. NDPC endeavors to promote opportunities for open discussion and education concerning the petroleum industry while gathering and disseminating information about the industry to foster the best interests of the public and the industry. NDPC also seeks to monitor and influence legislative and regulatory activities on the state and national level.