



TAXATION COMMITTEE

Thursday, October 5, 2023
Harvest Room, State Capitol
Bismarck, North Dakota

Representative Jared Hagert, Chairman, called the meeting to order at 9:00 a.m.

Members present: Representatives Jared Hagert*, Jason Dockter*, Jim Grueneich*, Patrick Hatlestad*, Craig Headland*, Jim Kasper*, Mike Motschenbacher*, Randy A. Schobinger*, Vicky Steiner*; Senator Merrill Piepkorn*

Members absent: Representatives Donna Henderson, Ben Koppelman; Senators Jordan L. Kannianen, Randy D. Lemm, Mark F. Weber

**Attended remotely*

It was moved by Representative Dockter, seconded by Representative Schobinger, and carried on a voice vote that the minutes of the August 24, 2023, meeting be approved as distributed.

It was moved by Representative Dockter, seconded by Representative Headland, and carried on a roll call vote that the committee reconsider the committee's previous action approved at the August 24, 2023, meeting in which the committee selected seven economic development tax incentives provided under North Dakota Century Code Section 54-35-26 for analysis during the 2023-24 interim. Representatives Hagert, Dockter, Grueneich, Hatlestad, Headland, Kasper, Motschenbacher, Schobinger, and Steiner and Senator Piepkorn voted "aye." No negative votes were cast.

Committee members noted:

- Reviewing the energy-related economic development tax incentives provided under Section 54-35-26 this interim is important and may help shape policy development for the next legislative session, particularly in light of the potential impact of the initiated petition related to property tax elimination.
- Concerns exist regarding shifting the focus of the study away from the incentives selected at the August 24, 2023, meeting and expanding the scope of the study beyond reviewing the specific energy-related incentives outlined in Section 54-35-26.
- The economic development tax incentives that have not been reviewed during the current 6-year review cycle will be reviewed next interim to comply with Section 54-35-26.

In response to a question from a committee member, Ms. Megan J. Gordon, Counsel, Legislative Council, reviewed the scope of the economic development tax incentive study required by Section 54-35-26.

It was moved by Representative Headland, seconded by Representative Steiner, and carried on a roll call vote that the committee select the following seven economic development tax incentives provided under Section 54-35-26 for analysis during the 2023-24 interim:

- **Biodiesel fuel production facility construction or retrofit credit, biodiesel fuel blending credit, and biodiesel fuel equipment credit;**
- **Internship program credit;**
- **Workforce recruitment credit;**
- **Coal severance and conversion tax exemptions;**
- **Oil and gas gross production and oil extraction tax exemptions;**

- **Fuel tax refunds for certain users; and**
- **Sales and use tax exemption for materials used in compressing, gathering, collecting, storing, transporting, or injecting carbon dioxide for use in enhanced recovery of oil or natural gas.**

Representatives Hagert, Dockter, Grueneich, Hatlestad, Headland, Kasper, Motschenbacher, Schobinger, and Steiner and Senator Piepkorn voted "aye." No negative votes were cast.

No further business appearing, Chairman Hagert adjourned the meeting at 9:37 a.m.

Megan J. Gordon
Counsel