

**SENATE BILL NO. 2383**

Introduced by

Senator Magrum

1 A BILL for an Act to amend and reenact section 57-06-17.1 of the North Dakota Century Code,  
2 relating to the carbon dioxide pipeline tax exemption; and to provide an effective date.

3 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

4 **SECTION 1. AMENDMENT.** Section 57-06-17.1 of the North Dakota Century Code is  
5 amended and reenacted as follows:

6 **57-06-17.1. Carbon dioxide pipeline exemption.**

7 ~~Property~~Subject to the limitations in this section, property, not including land, is exempt from  
8 taxation during construction and for the first ten full taxable years following initial operation if it  
9 consists of a pipeline, constructed after 1996, and necessary associated equipment for the  
10 transportation or storage of carbon dioxide for secure geologic storage or use in enhanced  
11 recovery of oil or natural gas. The exemption under this section does not apply to pipelines and  
12 necessary associated equipment owned by a person that is allowed a credit for carbon oxide  
13 sequestration provided in section 45Q of the Internal Revenue Code [26 U.S.C. 45Q] for the  
14 taxable year in which the credit was allowed against the taxpayer's federal income tax liability.

15 **SECTION 2. EFFECTIVE DATE.** This Act is effective for taxable years beginning after  
16 December 31, 2022.