

Tax Cuts on Collected Natural Gas

BISMARCK, N.D. (AP) — The North Dakota House has endorsed a measure aimed at curbing the oil industry's practice of wasting natural gas at oil wells.

The House voted 93-0 Tuesday to allow tax cuts on natural gas if it's collected and used for agricultural, industrial or railroad purposes. North Dakota's Senate approved the measure earlier.

Lawmakers on Tuesday also passed a resolution to study the use of natural gas in motor vehicles.

More than 30 percent of the state's gas production is being flared because development of the pipelines and processing facilities needed to handle it has not kept pace with production.

The Energy Information Administration in Washington, D.C. says less than 1 percent of natural gas is flared from oil fields nationwide, and less than 3 percent worldwide.

State officials say about \$70,000 in tax revenues and royalties is being lost every day in North Dakota as natural gas literally goes up in smoke as an unwanted byproduct of oil production.

Officials say about \$4 billion in infrastructure improvements have been built in North Dakota to capture natural gas and move it to market, but another \$4 billion in gathering systems is needed to keep pace with the state's record oil production.

North Dakota is the nation's second-leading oil-producing state, behind Texas.

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