

## North Dakota Laws and Incentives for Tax Incentives

The list below contains summaries of all North Dakota laws and incentives related to Tax Incentives.

### State Incentives

#### **Biodiesel Blender Tax Credit**

A licensed fuel supplier who blends biodiesel or green diesel with diesel fuel may claim an income tax credit of \$0.05 per gallon for fuel containing at least 5% biodiesel or green diesel. The biodiesel or green diesel fuel must meet the applicable ASTM specifications. The tax credit may not exceed the taxpayer's liability for the taxable year and each year's unused credit amount may be carried forward for up to five taxable years. (Reference [North Dakota Century Code](#) 57-38-01.22 and 57-43.2-01)

#### **Biodiesel Sales Equipment Tax Credit**

Qualified retailers may be eligible for a corporate income tax credit of 10% of the direct costs incurred to adapt or add equipment to a facility so that it may sell diesel fuel containing at least 2% biodiesel or green diesel. A retailer may only claim the credit for up to five years and is limited to \$50,000 in cumulative credits for all taxable years. The biodiesel or green diesel fuel must meet applicable ASTM specifications. (Reference [House Bill](#) 1106, 2013 and [North Dakota Century Code](#) 57-38-01.23 and 57-43.2-01)

#### **Biodiesel Production and Blending Equipment Tax Credit**

Qualified producers or blenders may be eligible for a corporate income tax credit of 10% of the direct costs incurred to add equipment to retrofit an existing facility or construct a new facility in the state for the purpose of producing or blending diesel fuel containing at least 2% biodiesel or green diesel. Eligible direct costs must have been incurred after December 31, 2002. A taxpayer may only claim the credit for up to five years and is limited to \$250,000 in cumulative credits for all taxable years. The biodiesel or green diesel fuel must meet applicable ASTM specifications. (Reference [North Dakota Century Code](#) 57-38-30.6 and 57-43.2-01)

#### **Agriculturally-Based Fuel Production Wage and Salary Tax Credit**

New ethanol, biodiesel, green diesel, and biogas producers may be eligible for an income tax credit equal to a percentage of wages and salaries paid each year. A corporation involved in processing an agricultural product, including ethanol, biodiesel, and biogas feedstocks, may claim an income tax credit equal to 1% of wages and salaries paid during the tax year for each of the first three years of operation and 0.5% of wages and salaries paid during the tax year for the fourth and fifth years. Only corporations doing business in North Dakota for the first time are eligible. A corporation created from the reorganization or acquisition of an existing business does not qualify, nor does a business that receives a property or income tax exemption under [North Dakota Century Code](#) 40-57.1. (Reference [North Dakota Century Code](#) 57-38-30.1)

The AFDC is a resource of the U.S. Department of Energy's Clean Cities program.