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Thank you for inquiring about the North Dakota Tax Incentives for Businesses. This packet includes a large amount of information and we encourage you to read the entire packet before making your final decision. In this letter is a brief summary of the two property tax incentives. Again, please read the entire packet.

New Industry/Expanding Business Exemption – With this exemption the governing body can approve anything from **0-5 years and 0-100% on the structure ONLY**. (Ag operations can apply for up to 10 years)

Key points to remember:

1. An applicant cannot start construction including pouring concrete for the foundation of a new building (dirt work is allowed) or occupy an existing building until the application is **made AND granted**.
2. This application must go before the City/County Abatement Committee for recommendation and then onto the governing body for final decision. This process can take some time. Additionally if your business has competition in the area there will also have to be public notices posted in the paper. In order to make sure there is plenty of time, it is best to **allow up to six weeks for this process**.

Payment in Lieu of Taxes (PILOT) – With this exemption the applicant would pay a set amount of dollars in real estate taxes versus their actual tax bill. The exemption can be granted up to 20 years. The incentive can be used in conjunction with the New Industry Exemption.

Key points to remember:

1. This application may be made after construction is started.
2. The applicant needs to come with a request on paper of what they would like their payment schedule to be.

Both of the above tax incentives have the following key points to remember:

1. Tax incentives may not be granted for land.
2. The exemption period begins with the assessment date immediately following the date of commencement of operations. Our assessment date is February 1st. If your project is only partially completed as of that date, you will have a partial assessment for that year which **IS** taxable.
3. The tax incentives are valid as long as the property is used for the purposes stated in the application and for the project operator that applied for the incentive. If either of these change a new application must be filed and approved in order to receive the remainder of the incentives.

There are several other incentives listed in this packet including sales and income tax incentives. Some basic information concerning these is in this packet however, these exemptions are handled through the State of North Dakota 1-800-638-2901. An applicant may also want to contact the Economic Development Office at (701) 577-8110.

If you have any further questions, please contact our office at the above number.

Sincerely,

Shawna Gooch-Egge
Director of Tax Equalization