

**FIRST ENGROSSMENT  
with Senate Amendments**

Fifty-ninth  
Legislative Assembly  
of North Dakota

**ENGROSSED HOUSE BILL NO. 1496**

Introduced by

Representatives Nelson, S. Kelsh, Monson

Senators Seymour, Tollefson

1 A BILL for an Act to create and enact a new subsection to section 57-39.2-04 and a new  
2 section to chapter 57-43.2 of the North Dakota Century Code, relating to a sales and use tax  
3 exemption for sales of hydrogen and production, storage, and transportation equipment used  
4 by a facility engaged in hydrogen generation and a special fuels tax exemption for the sale of  
5 hydrogen; to provide an effective date; and provide an expiration date.

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

7 **SECTION 1.** A new subsection to section 57-39.2-04 of the North Dakota Century  
8 Code is created and enacted as follows:

9 Gross receipts from the sale at retail of hydrogen to power an internal combustion  
10 engine or fuel cell and equipment used directly and exclusively in production and  
11 storage of the hydrogen by a hydrogen generation facility in this state. For  
12 purposes of this subsection, "storage" means stationary and portable hydrogen  
13 containers or pressure vessels, piping, tubing, fittings, gaskets, controls, valves,  
14 gauges, pressure regulators, safety relief devices, and other accessories intended  
15 for hydrogen storage containers or pressure vessels.

16 **SECTION 2.** A new section to chapter 57-43.2 of the North Dakota Century Code is  
17 created and enacted as follows:

18 **Special fuels tax exemption for hydrogen.** Sales of hydrogen to power an internal  
19 combustion engine or fuel cell are exempt from the taxes imposed by sections 57-43.2-02 and  
20 57-43.2-03.

21 **SECTION 3. EFFECTIVE DATE - EXPIRATION DATE.** This Act is effective for  
22 taxable events occurring after June 30, 2005, and before July 1, 2010, and is thereafter  
23 ineffective.