#### ECONOMIC INDICATORS

**PER CAPITA PERSONAL INCOME**
- 2012: $51,893
- Percent of National Average: 122.0 percent
- Percent Change from 2011: 9.9 percent
- 2002-2012 Compound Annual Growth Rate: 6.7 percent

**CURRENT DOLLAR GDP**
- 2011: $40.3 billion
- U.S. Rank: 46

**REAL GDP**
- 2011 Growth Rate: 7.6 percent
- 2001-2011 Compound Annual Growth Rate: 4.7 percent

**LARGEST INDUSTRY CONTRIBUTORS TO GDP IN 2011**
Government (12.5 percent); real estate and rental and leasing (10.5 percent)

**LARGEST INDUSTRY CONTRIBUTORS TO GDP GROWTH, 2010-11**
Mining (2.81 percentage points); real estate and rental and leasing (1.46 percentage points)

#### KEY TAX RATES

**STATE INDIVIDUAL INCOME TAXES**
- Tax Rate Range (percent)
  - Low: 1.51
  - High: 3.99
- Income Brackets*
  - Lowest: $36,250
  - Highest: $398,350
- Number of Tax Brackets: 5

**CORPORATE INCOME TAX RATES**
- Tax Rate: 1.68-5.15 percent*
- Lowest Tax Bracket: $25,000
- Highest Tax Bracket: $50,001
- Number of Tax Brackets: 3

**EXCISE TAX RATES**
- General Sales and Gross Receipts Tax: 5.0 percent
- Cigarettes: $.44 per pack
- Distilled spirits: $2.50 per gallon **
- Motor Fuel Tax Rates (cents per gallon)
  - Gasoline: 23.0
  - Diesel: 23.0
  - Gasohol: 23.0

*The brackets are for single individuals. For married couples filing jointly, the same tax rates apply to income brackets ranging from $60,650 to $398,350.
**North Dakota levies an additional 7 percent state sales tax.

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#### PROGRAM INFORMATION

- North Dakota Department of Commerce
### COMMON BUSINESS INCENTIVE PROGRAMS

- **Partnership in Assisting Community Expansion** — The PACE programs at the Bank of North Dakota are designed to encourage specific types of economic activity within the state by providing an interest buy-down that can reduce the borrower’s rate of interest by as much as 5 percent.
- **North Dakota Development Fund** — This fund provides flexible gap financing through debt and equity investments for new or expanding North Dakota primary sector businesses.
- **Business Development Loan Program** — This program assists new and existing businesses in obtaining loans that have a higher degree of risk than would normally be acceptable to a lending institution. The maximum limit is $1 million per project. Proceeds can be used for working capital, equipment and real property or refinancing.
- **Sales and Use Tax Exemptions** — Companies can qualify for a number of exemptions, including manufacturing machinery and equipment, construction materials, and computer and telecommunications equipment.
- **Income Tax Exemption** — A primary sector or tourism business may qualify for an income tax exemption for up to five years.
- **New Venture Capital Fund** — New or expanding businesses in the state can receive flexible financing through debt and equity investments.
- **Main Street Loan Program** — Loans up to $24,999 may be available from the Dakota Certified Development Corporation in participation with a local lender or economic development organization for small businesses looking to expand or start a new business.
- **Beginning Entrepreneur Loan Guarantee Program** — This program assists in business startup financing by providing a financial institution with guaranty of a loan not to exceed $200,000. Loans may be used to finance the purchase or improvement of real property, equipment or personal property, or working capital needs.
- **Beginning Farmer Farm Loans** — The Bank of North Dakota may make direct loans to beginning farmers for the purchase of farm real estate, equipment and livestock.
- **Agricultural Commodity Processing Facility Investment Tax Credit** — Investments in an agricultural commodity processing facility in North Dakota certified by the Department of Commerce Division of Economic Development and Finance will be eligible for an income tax credit.
- **Angel Fund Investment Tax Credit** — Investments in an angel fund incorporated in North Dakota may be eligible for an income tax credit.

### OVERSIGHT AND ACCOUNTABILITY MEASURES

The North Dakota legislature in 2005 established the Business Incentive Accountability Law. Before a business can receive certain incentives, it must enter into a business incentive agreement with the granting agency. This business incentive agreement covers the terms of the incentive, including a statement of public purposes of the business incentive, goals for the business incentive, a description of the financial obligation if goals are not met, a commitment of the recipient to stay for five years and a list of all financial assistance for the project.

All North Dakota state agencies and political subdivisions that grant business incentives must abide by this law. State grantors must file annual reports with the North Dakota Department of Commerce containing information about all business incentives granted within the past year and progress made toward job creation goals of previously granted business incentives. Political subdivisions must create annual reports and provide them to anyone who requests them. The North Dakota Department of Commerce provides to the legislature an annual compilation and summary of all state-granted business incentives, which is made available to the public.

### RECENT LEGISLATIVE HIGHLIGHTS

Last year, the legislature added an automation tax credit through 2015 that provides an income tax credit for purchasing machinery and equipment for the purposes of automating a manufacturing process in North Dakota. The credit is equal to 20 percent of the cost of the machinery and equipment approved by the Department of Commerce Division of Economic Development and Finance. To be eligible for the credit, the business must be certified by the division as a primary sector business. The total credits allowed for all qualifying purchases by all taxpayers are limited to $2 million in any calendar year.