



NORTH DAKOTA  
PETROLEUM  
COUNCIL

100 West Broadway, Ste. 200 | P.O. Box 1395 | Bismarck, ND 58501-1395  
701.223.6380 | [ndpc@ndoil.org](mailto:ndpc@ndoil.org) | [www.NDOil.org](http://www.NDOil.org)

May 6, 2025

United States Senator Kevin Cramer  
313 Hart Office Building  
Washington, DC 20510

Dear Senator Cramer,

On behalf of North Dakota's oil and gas producers, we strongly urge you to help preserve our current tax treatment of carried interest to protect energy investment, support job creation, and ensure the continued growth of a resilient, domestically powered energy economy—particularly in a leading energy-producing state like North Dakota.

The North Dakota Petroleum Council represents more than 550 companies involved in all aspects of the oil and gas industry, including oil and gas production, refining, pipeline development, transportation, mineral leasing, consulting, legal work, and oilfield service activities in North Dakota, South Dakota, and the Rocky Mountain region.

The carried interest structure has been in place for over 100 years to reward long-term investment and responsible risk-taking across America. It is particularly critical in the oil and gas industry, where smaller, independent companies often partner with private equity investors to raise the capital needed to explore, drill, and produce America's energy resources. This model is vital to create partnerships that drive innovation, economic growth, and energy resilience.

Private investment has long played a foundational role in U.S. energy development. Over the last twelve years, private equity firms invested more than \$4.26 billion through 33 deals with North Dakota companies alone on energy projects, which includes investments in oil and gas of nearly \$3 billion. This capital directly supports the creation of high-paying jobs, local tax revenue, infrastructure development, and American energy independence.

Changing the tax treatment of carried interest would disproportionately burden the very same partnerships that have fueled this growth. Smaller producers without access to public markets rely on these joint ventures to fund operations, navigate price volatility, and invest in new technologies that improve efficiency and reduce environmental impact. A tax hike would chill this essential investment, putting American jobs and energy security at risk.

Critically, carried interest is granted not for routine services, but for taking on long-term financial and operational risk—whether by investing sweat equity, guaranteeing financing, or absorbing project uncertainty in highly capital-intensive environments. The current capital gains tax treatment properly reflects the nature of these entrepreneurial risks and changing it would unfairly penalize those who are building America's energy future. The result would be fewer new ventures, slower innovation, and reduced competitiveness—particularly in North Dakota, where private investment has proven to be a key component in our state's economy.

United States Senator Kevin Cramer  
May 6, 2025

Congress addressed this issue in 2017 through thoughtful reforms. Revisiting it now would amount to a retroactive tax increase on job creators and investors at a time when energy stability and affordability are national priorities.

We urge you to resist any effort to increase taxes on carried interest, a change that would directly and negatively impact the businesses, communities, and people powering the infrastructure our nation depends on.

Sincerely,

A handwritten signature in dark ink, appearing to read "Ron Ness", with a stylized flourish at the end.

Ron Ness  
President  
North Dakota Petroleum Council

cc: United States Senator John Hoeven  
United States Representative Julie Fedorchak



May 6, 2025

United States Senator John Hoeven  
338 Russell Senate Office Bldg.  
Washington, DC 20510

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Ron Ness  
President  
North Dakota Petroleum Council

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United States Representative Julie Fedorchak





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May 6, 2025

United States Representative Julie Fedorchak  
1607 Longworth House Office Building  
Washington, DC 20515

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Ron Ness  
President  
North Dakota Petroleum Council

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United States Senator John Hoeven