

ALASKA STATE LEGISLATURE

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REPRESENTATIVE STEVE THOMPSON DISTRICT 10

Sectional House Bill 276 (version G) 4.5.12

Sec. 1. AS 43.55.011(e) makes a conforming amendment to Section 2.

Sec. 2. AS 43.55.011(p) adds a new oil and gas production tax rate for certain new production. Providing that for seven years commencing commercial production of oil or gas produced from leases or properties that are not located north of 68 degrees North latitude, the tax rate levied under (e) for oil and gas, other than gas subject to (j) of this section or oil subject to (k) of this section, may not exceed four percent of the gross value at the point of production. This tax rate applies only to production that began after December 31, 2012 and before January 1, 2022.

Sec. 3 AS 43.55.020 makes a conforming amendment to include payments of the new AS 43.55.011(p) taxes.

Sec. 4. AS 43.55.025(a) is amended to establish the new frontier basin exploration credits for seismic and drilling work.

Sec. 5. AS 43.55.025(c) makes a conforming amendment to add the new frontier basin drilling credits to eligibility requirements under AS 43.55.025(b) and (c).

Sec. 6. AS 43.55.025 is amended by adding new subsections:

- (n) Describes the new frontier basin exploration drilling credits and its requirements.
- (o) Describes the new frontier basin exploration seismic credits and its requirements.
- (p) Lists the six areas within the State of Alaska that qualify for the new frontier basin credits.

Sec. 7. AS 43.55.160 is amended to reorganize the paragraph and to include reference to gas and oil tax treatment under the new AS 43.55.011(p).

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Sec. 8. AS 43.55.160(e) is amended to add reference to the new subsection AS 43.55.011(p), and the new subsection (F) of the paragraph, which was a subsection added as a conforming change under **Sec. 7**.