

ALASKA STATE LEGISLATURE

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REPRESENTATIVE STEVE THOMPSON DISTRICT 10

HB276 Explanation of Changes between Version E and Version G

Section 1. Added conforming amendment to add (p) to into 43.55.011(e).

Section 2. Is a new section to the bill that provides for a 4% production tax for the first 7 years following the commencement of commercialization or production taxes levied under AS 43.55.011(e) whichever is less, for a calendar year before 2022, should there be a commercial find of oil or gas produced south of 68 degrees North latitude, other than the Cook Inlet.

Section 3. Added conforming amendment to add new subsection (p) into AS 43.55.020, which sets forth how taxes are paid.

Section 4. is Section 1 in version E

Section 5 is Section 2 in version E – Adds the new exploration frontier basin drilling credit to qualifications under AS 43.55.025(c)

Section 6 is similar to Section 3 of version E. Sets forth qualifications in the new frontier basin drilling credit. Page 7, line 3 added Federal onshore lands to those that qualify for the credit in this bill (this was at the suggestion of DOR since taxes would still be collected, similarly to private lands and there are often federal lands included in these frontier basins).

Page 7, Line 20 Deleted the word “obtain” and insert “apply for”

Page 7, lines 15-21 - language change re: DNR approval of credit and making a written determination by the commissioner of DNR approving or rejecting an exploration well within 60 days.

Page 8, lines 24-26, language change re: DNR approval of credit.

Section 7. Is a new Section, reorganizing **AS 43.55.160 Determination of Production Tax** into applicable areas by separating them out into subparagraphs in the chapter.

Section 8. Amends the determination of production tax values to include the new tax created in Section 2, AS 43.55.011(p).