

LEGAL SERVICES

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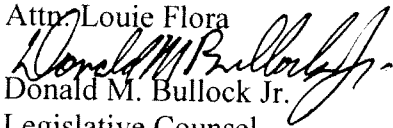
State Capitol
Juneau, Alaska 99801-1182

Legal Services Memo Provided for information
on Rep. Seaton's amendments - see discussion
on Community Revenue Sharing on page two

MEMORANDUM

SUBJECT: Amendments to HB 110
(Work Order Nos. 27-GH1007\A.39 - A.42)

TO: Representative Paul Seaton
Attn: Louie Flora

FROM: 
Donald M. Bullock Jr.
Legislative Counsel

Enclosed are four amendments to HB 110. Please read these amendments carefully to ensure they are consistent with your intent.

Amendment 27-GH1007\A.39

This amendment removes the sections of the bill that change the tax rates, installment payments, and determination of the production tax value of the oil and gas. The effect of this amendment is to have the current tax rates, installment payments, and determination of production tax value continue.

The sections of the bill that address tax credits, interest calculations, and the expanded period for making tax assessments are not affected by this amendment.

Amendment 27-GH1007\A.40

This amendment removes the differentiation between two categories of leases and properties that were created in AS 43.55.011(e) in sec. 6 of the bill, and the second table of tax rates in AS 43.55.011(g) in sec. 8 of the bill.

The amendment is drafted to return the base tax rate of 25 percent to its current placement in current law -- AS 43.55.011(e)(1). To do this, the rate applicable to the average value of "Not more than \$30" on page 4, line 28 is deleted.

The effect of the amendment is to keep the base tax rate of 25 percent the same as in current law and to replace the current progressive tax in AS 43.55.011(g) with the progressive rates applicable to an average production tax value greater than \$30 with the rates on page 4, line 20, through page 5, line 3.

Amendment 27-GH1007\A.41

This amendment deletes the changes to AS 43.55.011(f) that would be made by sec. 7 of the bill. The effect of the amendment is to keep the floor as in current law.

Amendment 27-GH1007\A.42

This amendment relates to the determination of the production tax values for a month, which are required to determine the installment payment required under AS 43.55.020(a). The monthly values are determined in AS 43.55.160(a)(2), which is amended by sec. 20 of the bill. The amendment in sec. 20 of the bill uses 1/12 of the producer's lease expenditures to determine the monthly production tax value. The amendment will require the actual lease expenditures for the month to be used in the calculation of the monthly installment.

➤ **Community revenue sharing fund issue**

One final note. Sections 6 and 8 of HB 110 place the tax rates applicable to oil and gas production into AS 43.55.011(g). Current law has the 25 percent base rate in AS 43.55.011(e)(1) and what is referred to as the progressive part of the tax in AS 43.55.011(g); the amount of the progressive tax is incorporated into AS 43.55.011(e) by AS 43.55.011(e)(2).

Revenue received under the current progressive tax in AS 43.55.011(g) may be appropriated into the community revenue sharing fund. AS 29.60.850(b) allows the legislature to appropriate money from the progressive part of the tax into the community revenue sharing fund. That subsection reads as follows:

(b) Each fiscal year, the legislature may appropriate to the community revenue sharing fund an amount equal to 20 percent of the money received by the state during the previous calendar year under AS 43.55.011(g). The amount may not exceed

- (1) \$60,000,000; or
- (2) the amount that, when added to the fund balance on June 30 of the previous fiscal year, equals \$180,000,000.

The governor's bill places all tax rates and determinations into AS 43.55.011(g), but does not address the community revenue sharing fund. Without a limitation, the "money received by the state during the previous calendar year under AS 43.55.011(g)" under the governor's bill would include all of the revenue received, not just the amount above revenue from the 25 percent rate or the new 15 percent base rate introduced in sec. 8 of the bill.

If I may be of further assistance, please advise.

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE SEATON

TO: HB 110

1 Page 10, line 31, through page 11, line 21:

2 Delete all material and insert:

3 **"* Sec. 15.** AS 43.55.023(*l*) is amended to read:

4 (*l*) A producer or explorer may apply for a tax credit for a well lease
5 expenditure incurred in the state [SOUTH OF 68 DEGREES NORTH LATITUDE]
6 after **December 31, 2011, and before January 1, 2021** [JUNE 30, 2010], as follows:

7 (1) notwithstanding that a well lease expenditure incurred in the state
8 [SOUTH OF 68 DEGREES NORTH LATITUDE] may be a deductible lease
9 expenditure for purposes of calculating the production tax value of oil and gas under
10 AS 43.55.160(a), unless a credit for that expenditure is taken under (a) of this section,
11 AS 38.05.180(i), AS 41.09.010, AS 43.20.043, or AS 43.55.025, a producer or
12 explorer that incurs a well lease expenditure in the state [SOUTH OF 68 DEGREES
13 NORTH LATITUDE] may elect to apply a tax credit against a tax levied by
14 AS 43.55.011(e) in the amount of

15 **(A) 40 percent of the expenditures incurred in the state**
16 **south of 68 degrees North latitude; and**

17 **(B) 30 percent of the expenditures incurred in the state**
18 **north of 68 degrees North latitude that exceed the average annual well**
19 **lease expenditures for the second and third calendar years preceding the**
20 **year for which the credit is being determined** [40 PERCENT OF THAT
21 EXPENDITURE; A TAX CREDIT UNDER THIS PARAGRAPH MAY BE
22 APPLIED FOR A SINGLE CALENDAR YEAR];

23 (2) a producer or explorer may take a credit for a well lease
24 expenditure incurred in the state [SOUTH OF 68 DEGREES NORTH LATITUDE] in

1 connection with geological or geophysical exploration or in connection with an
2 exploration well only if the producer or explorer

3 (A) agrees, in writing, to the applicable provisions of
4 AS 43.55.025(f)(2); and

5 (B) submits to the Department of Natural Resources all data
6 that would be required to be submitted under AS 43.55.025(f)(2)."

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE SEATON

TO: HB 110

1 Page 1, lines 2 - 3:

2 Delete "**relating to the oil and gas production tax rate; relating to monthly**
3 **installment payments of estimated oil and gas production tax;**"

4

5 Page 1, line 7:

6 Delete "**relating to the determination of oil and gas production tax values;**"

7

8 Page 3, line 3, through page 8, line 8:

9 Delete all material.

10

11 Renumber the following bill sections accordingly.

12

13 Page 13, line 8, through page 15, line 15:

14 Delete all material.

15

16 Renumber the following bill sections accordingly.

17

18 Page 16, line 8:

19 Delete "Sections 11, 12, 15, and 16"

20 Insert "Sections 7, 8, 11, and 12"

21

22 Page 16, lines 10 - 11:

23 Delete all material.

1

2 Reletter the following subsection accordingly.

3

4 Page 16, line 12:

5 Delete "Section 19"

6 Insert "Section 15"

7

8 Page 16, line 20:

9 Delete "Sections 11, 12, 14 - 18, 24, and 25(a)"

10 Insert "Sections 7, 8, 10 - 14, 19, and 20(a)"

11

12 Page 16, line 21:

13 Delete all material.

14

15 Renumber the following bill sections accordingly.

16

17 Page 16, line 22:

18 Delete "Sections 19 and 25(c)"

19 Insert "Sections 15 and 20(b)"

20

21 Page 16, line 23:

22 Delete "secs. 27 - 29"

23 Insert "secs. 22 and 23"

CONCEPTUAL AMENDMENT (Legal Services copy pending)

OFFERED IN THE HOUSE

BY REPRESENTATIVE SEATON

TO: HB 110

Delete bracketed progressivity leaving base rates of 25% and 15% with progressivity in current statute.

Delete annual average payment of progressivity return to current statute

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE SEATON

TO: HB 110

1 Page 3, line 20, through page 4, line 10:

2 Delete all material.

3

4 Renumber the following bill sections accordingly.

5

6 Page 16, line 8:

7 Delete "Sections 11, 12, 15, and 16""

8 Insert "Sections 10, 11, 14, and 15"

9

10 Page 16, line 10:

11 Delete "Sections 6 - 9 and 20"

12 Insert "Sections 6 - 8 and 19"

13

14 Page 16, line 12:

15 Delete "Section 19"

16 Insert "Section 18"

17

18 Page 16, line 20:

19 Delete "Sections 11, 12, 14 - 18, 24, and 25(a)"

20 Insert "Sections 10, 11, 13 - 17, 23, and 24(a)"

21

22 Page 16, line 21:

23 Delete "Sections 6 - 9, 20, and 25(b)"

1 Insert "Sections 6 - 8, 19, and 24(b)"

2

3 Page 16, line 22:

4 Delete "Sections 19 and 25(c)"

5 Insert "Sections 18 and 24(c)"

6

7 Page 16, line 23:

8 Delete "secs. 27 - 29"

9 Insert "secs. 26 - 28"

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE SEATON

TO: HB 110

1 Page 3, lines 3 - 19:

2 Delete all material and insert:

3 "* **Sec. 6.** AS 43.55.011(e) is amended to read:

4 (e) There is levied on the producer of oil or gas a tax for all oil and gas
5 produced each calendar year from each lease or property in the state, less any oil and
6 gas the ownership or right to which is exempt from taxation or constitutes a
7 landowner's royalty interest. Except as otherwise provided under (f), (j), (k), and (o) of
8 this section, the tax is equal to the sum of

9 (1) the annual production tax value of the taxable oil and gas as
10 calculated under AS 43.55.160(a)(1) multiplied by 25 percent; and

11 (2) the annual production tax value of the taxable oil and gas as
12 calculated under AS 43.55.160(a)(1) multiplied by the tax rate calculated [THE
13 SUM, OVER ALL MONTHS OF THE CALENDAR YEAR, OF THE TAX
14 AMOUNTS DETERMINED] under (g) of this section."
15

16 Page 4, line 13:

17 Delete "(1) purposes of (e)(1)"

18 Insert "purposes of (e)(2)"

19

20 Page 4, line 15:

21 Delete "(A)"

22 Insert "(1)"

23

1 Page 4, line 17:

2 Delete "subject to (e)(1) of this section"

3

4 Page 4, line 18:

5 Delete "(B)"

6 Insert "(2)"

7

8 Page 4, line 21:

9 Delete "(D) of this paragraph"

10 Insert "(4) of this subsection"

11

12 Page 4, line 22:

13 Delete "(C)"

14 Insert "(3)"

15

16 Page 4, line 23:

17 Delete "(D) of this paragraph"

18 Insert "(4) of this subsection"

19

20 Page 4, line 24:

21 Delete "(D)"

22 Insert "(4)"

23 Delete "(C) of this paragraph"

24 Insert "(3) of this subsection"

25

26 Page 4, line 28:

27 Delete all material.

28

29 Page 5, lines 4 - 25:

30 Delete all material.

31

1 Page 6, line 2:

2 Delete "(A) - (D)"

3 Insert "(A) - (C)"

4

5 Page 6, line 6:

6 Delete "sum"

7 Insert "total"

8

9 Page 6, line 8, following "by":

10 Insert "the sum of 25 percent and"

11

12 Page 6, line 9:

13 Delete "AS 43.55.011(g)(1)"

14 Insert "AS 43.55.011(g)"

15

16 Page 6, line 13, following "by":

17 Insert "the sum of 25 percent and"

18

19 Page 6, lines 15 - 19:

20 Delete all material.

21 Insert "AS 43.55.011(g); or"

22

23 Page 6, line 28, following "due";":

24 Insert "and"

25

26 Page 7, lines 5 - 14:

27 Delete all material.

28 Insert "the sum of 25 percent and the tax rate calculated for the calendar year of
29 production under AS 43.55.011(g);"

30

31 Page 13, lines 21 - 22:

1 Delete "and are subject to AS 43.55.011(e)(1)"

2

3 Page 13, line 25:

4 Delete "subject to AS 43.55.011(e)(1) and are"

5

6 Page 14, line 5:

7 Delete "and are subject to AS 43.55.011(e)(1)"

8

9 Page 14, line 15, through page 15, line 5:

10 Delete all material.

AMENDMENT

OFFERED IN THE HOUSE
TO: HB 110

BY REPRESENTATIVE KAWASAKI

1 Page 1, lines 3 - 4:

2 Delete "**relating to monthly installment payments of estimated oil and gas**
3 **production tax;**"

4
5 Page 5, line 26, through page 8, line 8:

6 Delete all material.

7
8 Renumber the following bill sections accordingly.

9
10 Page 15, line 10:

11 Delete "1/12 of"

12
13 Page 15, line 11:

14 Delete "year"

15 Insert "month"

16
17 Page 15, line 13:

18 Delete "year"

19 Insert "month"

20
21 Page 16, line 8:

22 Delete "Sections 11, 12, 15, and 16"

23 Insert "Sections 10, 11, 14, and 15"

1

2 Page 16, line 10:

3 Delete "Sections 6 - 9 and 20"

4 Insert "Sections 6 - 8 and 19"

5

6 Page 16, line 12:

7 Delete "Section 19"

8 Insert "Section 18"

9

10 Page 16, line 20:

11 Delete "Sections 11, 12, 14 - 18, 24, and 25(a)"

12 Insert "Sections 10, 11, 13 - 17, 23, and 24(a)"

13

14 Page 16, line 21:

15 Delete "Sections 6 - 9, 20, and 25(b)"

16 Insert "Sections 6 - 8, 19, and 24(b)"

17

18 Page 16, line 22:

19 Delete "Sections 19 and 25(c)"

20 Insert "Sections 18 and 24(c)"

21

22 Page 16, line 23:

23 Delete "secs. 27 - 29"

24 Insert "secs. 26 - 28"

AMENDMENT

OFFERED IN THE HOUSE

TO: HB 110

BY REPRESENTATIVES KAWASAKI

AND GARDNER

1 Page 1, lines 1 - 2:

2 Delete "**relating to the interest rate applicable to certain amounts due for fees,**
3 **taxes, and payments made and property delivered to the Department of Revenue;**"
4

5 Page 1, line 10, through page 3, line 2:

6 Delete all material.
7

8 Page 3, line 3:

9 Delete "**Sec. 6**"

10 Insert "**Section 1**"
11

12 Renumber the following bill sections accordingly.
13

14 Page 8, lines 9 - 20:

15 Delete all material.
16

17 Renumber the following bill sections accordingly.
18

19 Page 10, lines 3 - 16:

20 Delete all material.
21

22 Renumber the following bill sections accordingly.
23

24 Page 15, line 16, through page 16, line 4:

1 Delete all material.

2

3 Renumber the following bill sections accordingly.

4

5 Page 16, line 8:

6 Delete "Sections 11, 12, 15, and 16"

7 Insert "Sections 5, 6, 8, and 9"

8

9 Page 16, line 10:

10 Delete "Sections 6 - 9 and 20"

11 Insert "Sections 1 - 4 and 13"

12

13 Page 16, line 12:

14 Delete "Section 19"

15 Insert "Section 12"

16

17 Page 16, line 20:

18 Delete "Sections 11, 12, 14 - 18, 24, and 25(a)"

19 Insert "Sections 5 - 11, 14, and 15(a)"

20

21 Page 16, line 21:

22 Delete "Sections 6 - 9, 20, and 25(b)"

23 Insert "Sections 1 - 4, 13, and 15(b)"

24

25 Page 16, line 22:

26 Delete "Sections 19 and 25(c)"

27 Insert "Sections 12 and 15(c)"

28

29 Page 16, line 23:

30 Delete "secs. 27 - 29"

31 Insert "secs. 17 - 19"

AMENDMENT

OFFERED IN THE HOUSE

TO: HB 110

BY REPRESENTATIVES GARDNER

AND KAWASAKI

1 Page 1, line 6:

2 Delete "**relating to the limitation on assessment of oil and gas production taxes;**"

3

4 Page 13, lines 5 - 7:

5 Delete all material.

6

7 Renumber the following bill sections accordingly.

8

9 Page 16, line 10:

10 Delete "Sections 6 - 9 and 20"

11 Insert "Sections 6 - 9 and 19"

12

13 Page 16, lines 12 - 13:

14 Delete all material.

15

16 Page 16, line 20:

17 Delete "Sections 11, 12, 14 - 18, 24, and 25(a)"

18 Insert "Sections 11, 12, 14 - 18, 23, and 24(a)"

19

20 Page 16, line 21:

21 Delete "Sections 6 - 9, 20, and 25(b)"

22 Insert "Sections 6 - 9, 19, and 24(b)"

23

- 1 Page 16, line 22:
- 2 Delete all material.
- 3
- 4 Renumber the following bill section accordingly.
- 5
- 6 Page 16, line 23:
- 7 Delete "secs. 27 - 29"
- 8 Insert "secs. 26 and 27"

AMENDMENT

OFFERED IN THE HOUSE
TO: HB 110

BY REPRESENTATIVE GARDNER

1 Page 1, lines 3 - 4:

2 Delete "**relating to monthly installment payments of estimated oil and gas**
3 **production tax;**"

4

5 Page 1, line 7:

6 Delete "**relating to the determination of oil and gas production tax values;**"

7

8 Page 3, lines 3 - 19:

9 Delete all material.

10

11 Renumber the following bill sections accordingly.

12

13 Page 4, line 11, through page 8, line 8:

14 Delete all material.

15

16 Renumber the following bill sections accordingly.

17

18 Page 13, line 8, through page 15, line 15:

19 Delete all material.

20

21 Renumber the following bill sections accordingly.

22

23 Page 16, line 8:

1 Delete "Sections 11, 12, 15, and 16"

2 Insert "Sections 8, 9, 12, and 13"

3

4 Page 16, lines 10 - 11:

5 Delete all material.

6

7 Reletter the following subsection accordingly.

8

9 Page 16, line 12:

10 Delete "Section 19"

11 Insert "Section 16"

12

13 Page 16, line 20:

14 Delete "Sections 11, 12, 14 - 18, and 25(a)"

15 Insert "Sections 8, 9, 11 - 15, 20, and 21(a)"

16

17 Page 16, line 21:

18 Delete all material.

19

20 Renumber the following bill sections accordingly.

21

22 Page 16, line 22:

23 Delete "Sections 19 and 25(c)"

24 Insert "Sections 16 and 21(b)"

25

26 Page 16, line 23:

27 Delete "secs. 27 - 29"

28 Insert "secs. 23 and 24"

AMENDMENT

OFFERED IN THE HOUSE
TO: HB 110

BY REPRESENTATIVE GARDNER

1 Page 15, line 10:

2 Delete "1/12 of"

3

4 Page 15, line 11:

5 Delete "year"

6 Insert "month"

7

8 Page 15, line 13:

9 Delete "year"

10 Insert "month"

11

12 Page 15, following line 15:

13 Insert new bill sections to read:

14 "* **Sec. 21.** AS 43.55.165(a) is amended to read:

15 (a) Except as provided in (j) and (k) of this section, for purposes of this
16 chapter, a producer's lease expenditures **are determined for a calendar month or**
17 **calendar year, as applicable, and** [FOR A CALENDAR YEAR] are

18 (1) costs, other than items listed in (e) of this section, that are

19 (A) incurred by the producer [DURING THE CALENDAR
20 YEAR] after March 31, 2006, to explore for, develop, or produce oil or gas
21 deposits located within the producer's leases or properties in the state or, in the
22 case of land in which the producer does not own an operating right, operating
23 interest, or working interest, to explore for oil or gas deposits within other land
24 in the state; and

(B) allowed by the department by regulation, based on the department's determination that the costs satisfy the following three requirements:

(i) the costs must be incurred upstream of the point of production of oil and gas;

(ii) the costs must be ordinary and necessary costs of exploring for, developing, or producing, as applicable, oil or gas deposits; and

(iii) the costs must be direct costs of exploring for, developing, or producing, as applicable, oil or gas deposits; and

(2) a reasonable allowance [FOR THAT CALENDAR YEAR], as determined under regulations adopted by the department, for overhead expenses that are directly related to exploring for, developing, or producing, as applicable, the oil or gas deposits.

* **Sec. 22.** AS 43.55.165(e) is amended to read:

(e) For purposes of this section, lease expenditures do not include

(1) depreciation, depletion, or amortization;

(2) oil or gas royalty payments, production payments, lease profit shares, or other payments or distributions of a share of oil or gas production, profit, or revenue, except that a producer's lease expenditures applicable to oil and gas produced from a lease issued under AS 38.05.180(f)(3)(B), (D), or (E) include the share of net profit paid to the state under that lease;

(3) taxes based on or measured by net income;

(4) interest or other financing charges or costs of raising equity or debt capital;

(5) acquisition costs for a lease or property or exploration license;

(6) costs arising from fraud, wilful misconduct, gross negligence, violation of law, or failure to comply with an obligation under a lease, permit, or license issued by the state or federal government;

(7) fines or penalties imposed by law;

(8) costs of arbitration, litigation, or other dispute resolution activities

1 that involve the state or concern the rights or obligations among owners of interests in,
2 or rights to production from, one or more leases or properties or a unit;

3 (9) costs incurred in organizing a partnership, joint venture, or other
4 business entity or arrangement;

5 (10) amounts paid to indemnify the state; the exclusion provided by
6 this paragraph does not apply to the costs of obtaining insurance or a surety bond from
7 a third-party insurer or surety;

8 (11) surcharges levied under AS 43.55.201 or 43.55.300;

9 (12) an expenditure otherwise deductible under (b) of this section that
10 is a result of an internal transfer, a transaction with an affiliate, or a transaction
11 between related parties, or is otherwise not an arm's length transaction, unless the
12 producer establishes to the satisfaction of the department that the amount of the
13 expenditure does not exceed the fair market value of the expenditure;

14 (13) an expenditure incurred to purchase an interest in any corporation,
15 partnership, limited liability company, business trust, or any other business entity,
16 whether or not the transaction is treated as an asset sale for federal income tax
17 purposes;

18 (14) a tax levied under AS 43.55.011;

19 (15) costs incurred for dismantlement, removal, surrender, or
20 abandonment of a facility, pipeline, well pad, platform, or other structure, or for the
21 restoration of a lease, field, unit, area, tract of land, body of water, or right-of-way in
22 conjunction with dismantlement, removal, surrender, or abandonment; a cost is not
23 excluded under this paragraph if the dismantlement, removal, surrender, or
24 abandonment for which the cost is incurred is undertaken for the purpose of replacing,
25 renovating, or improving the facility, pipeline, well pad, platform, or other structure;

26 (16) costs incurred for containment, control, cleanup, or removal in
27 connection with any unpermitted release of oil or a hazardous substance and any
28 liability for damages imposed on the producer or explorer for that unpermitted release;
29 this paragraph does not apply to the cost of developing and maintaining an oil
30 discharge prevention and contingency plan under AS 46.04.030;

31 (17) costs incurred to satisfy a work commitment under an exploration

1 license under AS 38.05.132;

2 (18) that portion of expenditures, that would otherwise be qualified
3 capital expenditures, as defined in AS 43.55.023, incurred during a calendar month
4 [YEAR] that are less than the product of \$0.30 multiplied by the total taxable
5 production from each lease or property, in BTU equivalent barrels, during that
6 calendar month [YEAR], except that, when a portion of a calendar month [YEAR] is
7 subject to this provision, the expenditures and volumes shall be prorated within that
8 calendar month [YEAR];

9 (19) costs incurred for repair, replacement, or deferred maintenance of
10 a facility, a pipeline, a structure, or equipment, other than a well, that results in or is
11 undertaken in response to a failure, problem, or event that results in an unscheduled
12 interruption of, or reduction in the rate of, oil or gas production; or costs incurred for
13 repair, replacement, or deferred maintenance of a facility, a pipeline, a structure, or
14 equipment, other than a well, that is undertaken in response to, or is otherwise
15 associated with, an unpermitted release of a hazardous substance or of gas; however,
16 costs under this paragraph that would otherwise constitute lease expenditures under (a)
17 and (b) of this section may be treated as lease expenditures if the department
18 determines that the repair or replacement is solely necessitated by an act of war, by an
19 unanticipated grave natural disaster or other natural phenomenon of an exceptional,
20 inevitable, and irresistible character, the effects of which could not have been
21 prevented or avoided by the exercise of due care or foresight, or by an intentional or
22 negligent act or omission of a third party, other than a party or its agents in privity of
23 contract with, or employed by, the producer or an operator acting for the producer, but
24 only if the producer or operator, as applicable, exercised due care in operating and
25 maintaining the facility, pipeline, structure, or equipment, and took reasonable
26 precautions against the act or omission of the third party and against the consequences
27 of the act or omission; in this paragraph,

28 (A) "costs incurred for repair, replacement, or deferred
29 maintenance of a facility, a pipeline, a structure, or equipment" includes costs
30 to dismantle and remove the facility, pipeline, structure, or equipment that is
31 being replaced;

(B) "hazardous substance" has the meaning given in AS 46.03.826;

(C) "replacement" includes renovation or improvement;

(20) costs incurred to construct, acquire, or operate a refinery or crude oil topping plant, regardless of whether the products of the refinery or topping plant are used in oil or gas exploration, development, or production operations; however, if a producer owns a refinery or crude oil topping plant that is located on or near the premises of the producer's lease or property in the state and that processes the producer's oil produced from that lease or property into a product that the producer uses in the operation of the lease or property in drilling for or producing oil or gas, the producer's lease expenditures include the amount calculated by subtracting from the fair market value of the product used the prevailing value, as determined under AS 43.55.020(f), of the oil that is processed;

(21) costs of lobbying, public relations, public relations advertising, or policy advocacy.

* **Sec. 23.** AS 43.55.170(b) is amended to read:

(b) Except as otherwise provided under this subsection, if one or more payments or credits subject to this section are received by a producer or by an operator acting for the producer during a calendar month or calendar year, as applicable, and if either the total amount of the payments or credits exceeds the amount of the producer's applicable lease expenditures for that calendar month or calendar year, as applicable, or the producer has no lease expenditures for that calendar month or calendar year, as applicable, the producer shall nevertheless subtract those payments or credits from the lease expenditures or from zero, respectively, and the producer's applicable adjusted lease expenditures for that calendar month or calendar year, as applicable, are a negative number and shall be applied to the pertinent calculation under AS 43.55.160(a) as a negative number."

Renumber the following bill sections accordingly.

Page 16, line 10:

1 Delete "Sections 6 - 9 and 20"

2 Insert "Sections 6 - 9 and 20 - 23"

3

4 Page 16, line 20:

5 Delete "Sections 11, 12, 14 - 18, 24, and 25(a)"

6 Insert "Sections 11, 12, 14 - 18, 27, and 28(a)"

7

8 Page 16, line 21:

9 Delete "Sections 6 - 9, 20, and 25(b)"

10 Insert "Sections 6 - 9, 20 - 23, and 28(b)"

11

12 Page 16, line 22:

13 Delete "Sections 19 and 25(c)"

14 Insert "Sections 19 and 28(c)"

15

16 Page 16, line 23:

17 Delete "secs. 27 - 29"

18 Insert "secs. 30 - 32"

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE GARDNER

TO: HB 110

1 Page 1, line 7, following "values;":

2 Insert "**relating to oil and gas or gas only leasing and the shared use of a**
3 **production facility;**"

4

5 Page 2, following line 5:

6 Insert a new bill section to read:

7 **"* Sec. 3.** AS 38.05.180 is amended by adding a new subsection to read:

8 (hh) The commissioner shall include a provision in a lease or the renewal of a
9 lease under this section to require the shared use of a production facility owned or
10 operated by the lessee by a producer of oil or gas from land outside of the lease or
11 outside of a unit that includes the lease. The lease must describe the circumstances
12 under which the production facility shall be shared and the means for determining the
13 extent of the shared use, the reasonable compensation to be paid to the lessee, and
14 other terms and conditions the commissioner finds are in the best interests of the state.
15 In this subsection, "production facility" means a flow station, a gathering center, a
16 pump station, a storage tank, and related appurtenances, and other facilities that
17 gather, clean, dehydrate, condition, or store crude oil, natural gas, or associated
18 hydrocarbons and are located on a lease or property leased from the state."

19

20 Renumber the following bill sections accordingly.

21

22 Page 16, line 8, following "APPLICABILITY.":

23 Insert "(a) AS 38.05.180(hh), enacted by sec. 3 of this Act, applies to a lease or the
24 renewal of a lease entered into on or after the effective date of sec. 3 of this Act."

1

2 Reletter the following subsections accordingly.

3

4 Page 16, line 8:

5 Delete "Sections 11, 12, 15, and 16"

6 Insert "Sections 12, 13, 16, and 17"

7

8 Page 16, line 10:

9 Delete "Sections 6 - 9 and 20"

10 Insert "Sections 7 - 10 and 21"

11

12 Page 16, line 12:

13 Delete "Section 19"

14 Insert "Section 20"

15

16 Page 16, line 20:

17 Delete "Sections 11, 12, 14 - 18, 24, and 25(a)"

18 Insert "Sections 12, 13, 15 - 19, 25, and 26(b)"

19

20 Page 16, line 21:

21 Delete "Sections 6 - 9, 20, and 25(b)"

22 Insert "Sections 7 - 10, 21, and 26(c)"

23

24 Page 16, line 22:

25 Delete "Sections 19 and 25(c)"

26 Insert "Sections 20 and 26(d)"

27

28 Page 16, line 23:

29 Delete "secs. 27 - 29"

30 Insert "secs. 28 - 30"

AMENDMENT

OFFERED IN THE HOUSE
TO: HB 110

BY REPRESENTATIVE GARDNER

1 Page 13, following line 4:

2 Insert new bill sections to read:

3 **"* Sec. 19.** AS 43.55.030(a) is amended to read:

4 (a) A producer that produces oil or gas from a lease or property in the state
5 during a calendar year, whether or not any tax payment is due under AS 43.55.020(a)
6 for that oil or gas, shall file with the department on March 31 of the following year a
7 statement, under oath, in a form prescribed by the department, giving, with other
8 information required **by the department under a regulation adopted by the**
9 **department**, the following:

10 (1) a description of each lease or property from which oil or gas was
11 produced, by name, legal description, lease number, or accounting codes assigned by
12 the department;

13 (2) the names of the producer and, if different, the person paying the
14 tax, if any;

15 (3) the gross amount of oil and the gross amount of gas produced from
16 each lease or property, and the percentage of the gross amount of oil and gas owned by
17 the producer;

18 (4) the gross value at the point of production of the oil and of the gas
19 produced from each lease or property owned by the producer and the costs of
20 transportation of the oil and gas;

21 (5) the name of the first purchaser and the price received for the oil and
22 for the gas, unless relieved from this requirement in whole or in part by the
23 department;

(6) the producer's qualified capital expenditures, as defined in AS 43.55.023, other lease expenditures under AS 43.55.165, and adjustments or other payments or credits under AS 43.55.170;

(7) the production tax values of the oil and gas under AS 43.55.160;

(8) any claims for tax credits to be applied; [AND]

(9) calculations showing the amounts, if any, that were or are due under AS 43.55.020(a) and interest on any underpayment or overpayment; **and**

(10) for each expenditure that is the basis for a credit claimed under AS 43.55.023 or 43.55.025, a description of the expenditure, a detailed description of the purpose of the expenditure, and a description of the lease or property for which the expenditure was incurred; notwithstanding AS 43.05.230(a), information submitted under this paragraph may be disclosed to the public and shall be disclosed to the legislature in a report submitted within 10 days after the convening of the next regular legislative session following the date a statement is filed under this section.

* Sec. 20. AS 43.55.030(e) is amended to read:

(e) An explorer or producer that incurs a lease expenditure under AS 43.55.165 or receives a payment or credit under AS 43.55.170 during a calendar year but does not produce oil or gas from a lease or property in the state during the calendar year shall file with the department on March 31 of the following year a statement, under oath, in a form prescribed by the department, giving, with other information required **by the department under a regulation adopted by the department,** the following:

(1) the producer's qualified capital expenditures, as defined in AS 43.55.023, other lease expenditures under AS 43.55.165, and adjustments or other payments or credits under AS 43.55.170; [AND]

(2) if the explorer or producer receives a payment or credit under AS 43.55.170, calculations showing whether the explorer or producer is liable for a tax under AS 43.55.160(d) or 43.55.170(b) and, if so, the amount; **and**

(3) for each expenditure that is the basis for a credit claimed under this chapter, a description of the expenditure, a detailed description of the

purpose of the expenditure, and a description of the lease or property for which the expenditure was incurred; notwithstanding AS 43.05.230(a), information submitted under this paragraph may be disclosed to the public and shall be disclosed to the legislature in a report submitted within 10 days after the convening of the next regular legislative session following the date a statement is filed under this section.

Renumber the following bill sections accordingly.

Page 16, line 10:

Delete "Sections 6 - 9 and 20"

Insert "Sections 6 - 9 and 22"

Page 16, line 12:

Delete "Section 19"

Insert "Section 21"

Page 16, line 20:

Delete "Sections 11, 12, 14 - 18, 24, and 25(a)"

Insert "Sections 11, 12, 14 - 20, 26, and 27(a)"

Page 16, line 21:

Delete "Sections 6 - 9, 20, and 25(b)"

Insert "Sections 6 - 9, 22, and 27(b)"

Page 16, line 22:

Delete "Sections 19 and 25(c)"

Insert "Sections 21 and 27(c)"

Page 16, line 23:

Delete "secs. 27 - 29"

1 Insert "secs. 29 - 31"

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE GARDNER

TO: HB 110

1 Page 13, following line 4:

2 Insert new bill sections to read:

3 **"* Sec. 19.** AS 43.55.030(a) is amended to read:

4 (a) A producer that produces oil or gas from a lease or property in the state
5 during a calendar year, whether or not any tax payment is due under AS 43.55.020(a)
6 for that oil or gas, shall file with the department on March 31 of the following year a
7 statement, under oath, in a form prescribed by the department, giving, with other
8 information required by the department under a regulation adopted by the
9 department, the following:

10 (1) a description of each lease or property from which oil or gas was
11 produced, by name, legal description, lease number, or accounting codes assigned by
12 the department;

13 (2) the names of the producer and, if different, the person paying the
14 tax, if any;

15 (3) the gross amount of oil and the gross amount of gas produced from
16 each lease or property, and the percentage of the gross amount of oil and gas owned by
17 the producer;

18 (4) the gross value at the point of production of the oil and of the gas
19 produced from each lease or property owned by the producer and the costs of
20 transportation of the oil and gas;

21 (5) the name of the first purchaser and the price received for the oil and
22 for the gas, unless relieved from this requirement in whole or in part by the
23 department;

24 (6) the producer's qualified capital expenditures, as defined in

AS 43.55.023, other lease expenditures under AS 43.55.165, and adjustments or other payments or credits under AS 43.55.170;

(7) the production tax values of the oil and gas under AS 43.55.160;

(8) any claims for tax credits to be applied; [AND]

(9) calculations showing the amounts, if any, that were or are due under AS 43.55.020(a) and interest on any underpayment or overpayment; **and**

(10) for each expenditure that is the basis for a credit claimed under AS 43.55.023 or 43.55.025, a description of the expenditure, a detailed description of the purpose of the expenditure, and a description of the lease or property for which the expenditure was incurred.

* Sec. 20. AS 43.55.030(e) is amended to read:

(e) An explorer or producer that incurs a lease expenditure under AS 43.55.165 or receives a payment or credit under AS 43.55.170 during a calendar year but does not produce oil or gas from a lease or property in the state during the calendar year shall file with the department on March 31 of the following year a statement, under oath, in a form prescribed by the department, giving, with other information required **by the department under a regulation adopted by the department,** the following:

(1) the producer's qualified capital expenditures, as defined in AS 43.55.023, other lease expenditures under AS 43.55.165, and adjustments or other payments or credits under AS 43.55.170; [AND]

(2) if the explorer or producer receives a payment or credit under AS 43.55.170, calculations showing whether the explorer or producer is liable for a tax under AS 43.55.160(d) or 43.55.170(b) and, if so, the amount; **and**

(3) for each expenditure that is the basis for a credit claimed under this chapter, a description of the expenditure, a detailed description of the purpose of the expenditure, and a description of the lease or property for which the expenditure was incurred."

Renumber the following bill sections accordingly.

1 Page 16, line 10:

2 Delete "Sections 6 - 9 and 20"

3 Insert "Sections 6 - 9 and 22"

4

5 Page 16, line 12:

6 Delete "Section 19"

7 Insert "Section 21"

8

9 Page 16, line 20:

10 Delete "Sections 11, 12, 14 - 18, 24, and 25(a)"

11 Insert "Sections 11, 12, 14 - 20, 26, and 27(a)"

12

13 Page 16, line 21:

14 Delete "Sections 6 - 9, 20, and 25(b)"

15 Insert "Sections 6 - 9, 22, and 27(b)"

16

17 Page 16, line 22:

18 Delete "Sections 19 and 25(c)"

19 Insert "Sections 21 and 27(c)"

20

21 Page 16, line 23:

22 Delete "secs. 27 - 29"

23 Insert "secs. 29 - 31"

AMENDMENT

OFFERED IN THE HOUSE
TO: HB 110

BY REPRESENTATIVE KAWASAKI

1 Page 1, lines 3 - 4:

2 Delete "**relating to monthly installment payments of estimated oil and gas**
3 **production tax;**"

4

5 Page 3, lines 3 - 19:

6 Delete all material and insert:

7 "*** Sec. 6.** AS 43.55.011(e) is amended to read:

8 (e) There is levied on the producer of oil or gas a tax for all oil and gas
9 produced each calendar year from each lease or property in the state, less any oil and
10 gas the ownership or right to which is exempt from taxation or constitutes a
11 landowner's royalty interest. Except as otherwise provided under (f), (j), (k), and (o) of
12 this section, the tax is equal to the sum of

13 (1) the annual production tax value of the taxable oil and gas as
14 calculated under AS 43.55.160(a)(1) multiplied by **the applicable tax rate in (p) of**
15 **this section** [25 PERCENT]; and

16 (2) the sum, over all months of the calendar year, of the tax amounts
17 determined under (g) of this section."

18

19 Page 4, line 11, through page 8, line 8:

20 Delete all material and insert:

21 "*** Sec. 8.** AS 43.55.011 is amended by adding a new subsection to read:

22 (p) For the purposes of (e) of this section, the tax rate for production of oil and
23 gas produced from a lease or property containing land that, as of December 31, 2010,

(1) was or previously had been in commercial production, is 25 percent;

(2) had never been within a unit and never had commercial production, is 15 percent for the first 10 years of production and 25 percent after the first 10 years of production;

(3) was or previously had been within a unit but was not in commercial production or had not been in commercial production before January 1, 2011, is 20 percent for the first 10 years of commercial production and 25 percent after the first 10 years of production."

Renumber the following bill sections accordingly.

Page 13, line 8, through page 15, line 15:

Delete all material.

Renumber the following bill sections accordingly.

Page 16, lines 6 - 13:

Delete all material and insert:

"* **Sec. 23.** The uncoded law of the State of Alaska is amended by adding a new section to read:

APPLICABILITY. (a) Sections 6 - 8 of this Act apply to oil and gas produced after December 31, 2010.

(b) Sections 10, 11, 14, and 15 of this Act apply to expenditures incurred after December 31, 2011.

(c) Section 18 of this Act applies to any tax liability for the production of oil and gas after December 31, 2013."

Page 16, following line 19:

Insert new bill sections to read:

"* **Sec. 25.** The uncoded law of the State of Alaska is amended by adding a new section to

1 read:

2 RETROACTIVITY. Sections 6 - 8 of this Act are retroactive to January 1, 2011.

3 * **Sec. 26.** Sections 6 - 8, 23(a), and 25 of this Act take effect immediately under
4 AS 01.10.070(c)."

5

6 Renumber the following bill sections accordingly.

7

8 Page 16, line 20:

9 Delete "Sections 11, 12, 14 - 18, 24, and 25(a)"

10 Insert "Sections 10, 11, 13 - 17, 22, and 23(b)"

11

12 Page 16, line 21:

13 Delete all material.

14

15 Renumber the following bill sections accordingly.

16

17 Page 16, line 22:

18 Delete "Sections 19 and 25(c)"

19 Insert "Sections 18 and 23(c)"

20

21 Page 16, line 23:

22 Delete "secs. 27 - 29"

23 Insert "secs. 26 - 28"

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVES GARDNER

TO: HB 110

AND KAWASAKI

1 Page 3, line 20, through page 4, line 10:

2 Delete all material and insert:

3 "* **Sec. 7.** AS 43.55.011(f) is amended to read:

4 (f) The levy of tax under this section for oil and gas produced north of 68
5 degrees North latitude, other than oil and gas production subject to (i) of this section
6 and gas subject to (o) of this section, may not be less than

7 **10** [(1) FOUR] percent of the gross value at the point of production
8 [WHEN THE AVERAGE PRICE PER BARREL FOR ALASKA NORTH SLOPE
9 CRUDE OIL FOR SALE ON THE UNITED STATES WEST COAST DURING
10 THE CALENDAR YEAR FOR WHICH THE TAX IS DUE IS MORE THAN \$25;

11 (2) THREE PERCENT OF THE GROSS VALUE AT THE POINT
12 OF PRODUCTION WHEN THE AVERAGE PRICE PER BARREL FOR ALASKA
13 NORTH SLOPE CRUDE OIL FOR SALE ON THE UNITED STATES WEST
14 COAST DURING THE CALENDAR YEAR FOR WHICH THE TAX IS DUE IS
15 OVER \$20 BUT NOT OVER \$25;

16 (3) TWO PERCENT OF THE GROSS VALUE AT THE POINT OF
17 PRODUCTION WHEN THE AVERAGE PRICE PER BARREL FOR ALASKA
18 NORTH SLOPE CRUDE OIL FOR SALE ON THE UNITED STATES WEST
19 COAST DURING THE CALENDAR YEAR FOR WHICH THE TAX IS DUE IS
20 OVER \$17.50 BUT NOT OVER \$20;

21 (4) ONE PERCENT OF THE GROSS VALUE AT THE POINT OF
22 PRODUCTION WHEN THE AVERAGE PRICE PER BARREL FOR ALASKA
23 NORTH SLOPE CRUDE OIL FOR SALE ON THE UNITED STATES WEST
24 COAST DURING THE CALENDAR YEAR FOR WHICH THE TAX IS DUE IS

1 OVER \$15 BUT NOT OVER \$17.50; OR

2 (5) ZERO PERCENT OF THE GROSS VALUE AT THE POINT OF
3 PRODUCTION WHEN THE AVERAGE PRICE PER BARREL FOR ALASKA
4 NORTH SLOPE CRUDE OIL FOR SALE ON THE UNITED STATES WEST
5 COAST DURING THE CALENDAR YEAR FOR WHICH THE TAX IS DUE IS
6 \$15 OR LESS]. "

7
8 Page 6, lines 20 - 21:

9 Delete "zero percent, one percent, two percent, three percent, or four percent, as
10 applicable under AS 43.55.011(f),"

11 Insert "10 percent"

12
13 Page 6, lines 24 - 28:

14 Delete "; for purposes of this sub-subparagraph, the applicable percentage under
15 AS 43.55.011(f) is determined by substituting in AS 43.55.011(f)(1) - (5) the phrase "month
16 for which the installment payment is calculated" in place of the phrase "calendar year for
17 which the tax is due""

AMENDMENTOFFERED IN THE HOUSE
TO: HB 110

BY REPRESENTATIVE KAWASAKI

1 Page 1, lines 4 - 5:

2 Delete "for certain expenditures"

3

4 Page 9, line 7:

5 Insert a new bill section to read:

6 "* **Sec. 12.** AS 43.55.023(b) is amended to read:

7 (b) A producer or explorer may elect to take a tax credit in the amount of a
8 percentage [25 PERCENT] of a carried-forward annual loss determined under this
9 subsection. The percentage to be applied for a calendar year is equal to the
10 average tax rate applicable to all oil and gas produced that was subject to tax
11 under AS 43.55.011(e) during the immediately preceding calendar year. To
12 determine the applicable average tax rate, the department shall divide the total
13 amount of tax levied under AS 43.55.011(e) during the immediately preceding
14 calendar year by the total production tax value of all oil and gas produced during
15 that year, with the quotient expressed as a percentage. The department shall
16 publish the percentage to be applied to a carried-forward annual loss for a
17 calendar year before May 1. A credit under this subsection may be applied against a
18 tax levied by AS 43.55.011(e). For purposes of this subsection, a carried-forward
19 annual loss is the amount of a producer's or explorer's adjusted lease expenditures
20 under AS 43.55.165 and 43.55.170 for a previous calendar year that was not
21 deductible in calculating production tax values for that calendar year under
22 AS 43.55.160."

23

1 Renumber the following bill sections accordingly.

2

3 Page 16, line 8:

4 Delete "Sections 11, 12, 15, and 16"

5 Insert "Sections 11, 13, 16, and 17"

6

7 Page 16, following line 9:

8 Insert a new subsection to read:

9 "(b) Section 12 of this Act applies to a tax credit for an annual loss carried forward to
10 a calendar year after 2011."

11

12 Reletter the following subsections accordingly.

13

14 Page 16, line 10:

15 Delete "Sections 6 - 9 and 20"

16 Insert "Sections 6 - 9 and 21"

17

18 Page 16, line 12:

19 Delete "Section 19"

20 Insert "Section 20"

21

22 Page 16, line 20:

23 Delete "Sections 11, 12, 14 - 18, 24, and 25(a)"

24 Insert "Sections 11 - 13, 15 - 19, 25, and 26(a) and (b)"

25

26 Page 16, line 21:

27 Delete "Sections 6 - 9, 20, and 25(b)"

28 Insert "Sections 6 - 9, 21, and 26(c)"

29

30 Page 16, line 22:

31 Delete "Sections 19 and 25(c)"

1 Insert "Sections 20 and 26(d)"

2

3 Page 16, line 23:

4 Delete "secs. 27 - 29"

5 Insert "secs. 28 - 30"

AMENDMENT

OFFERED IN THE HOUSE
TO: HB 110

BY REPRESENTATIVE KAWASAKI

1 Page 11, line 9, following "expenditure":

2 Insert "before January 1, 2020,"

3

4 Page 11, line 11:

5 Delete "that expenditure; ["

6 Insert "the expenditures during a calendar year that exceed the explorer's or
7 producer's average annual well-related expenditures for calendar years 2008, 2009, and
8 2010; the producer or explorer shall submit the amount of well-related expenditures for
9 each of calendar years 2008, 2009, and 2010 at the time an election is made to apply the
10 credit authorized by this subsection; [THAT EXPENDITURE;"

11

12 Page 12, line 5:

13 Insert a new bill section to read:

14 "* **Sec. 17.** AS 43.55.023 is amended by adding a new subsection to read:

15 (p) Within 10 days after the convening of each regular session of the
16 legislature before January 1, 2020, the department shall submit to the legislature a
17 report on the credit available under (l) of this section that states the

18 (1) amount of the credits taken during the immediately preceding
19 calendar year;

20 (2) purposes of the expenditures for which credits were allowed; and

21 (3) recommendations of the department as to whether

22 (A) the years 2008 - 2010 should continue to be the base period
23 for determining expenditures that qualify for the credit;

1 (B) extending the credit for expenditures after 2019 is in the
2 best interests of the state."
3

4

5 Renumber the following bill sections accordingly.

6

7 Page 16, line 10:

8 Delete "Sections 6 - 9 and 20"

9 Insert "Sections 6 - 9 and 21"

10

11 Page 16, line 12:

12 Delete "Section 19"

13 Insert "Section 20"

14

15 Page 16, line 20:

16 Delete "Sections 11, 12, 14 - 18, 24, and 25(a)"

17 Insert "Sections 11, 12, 14 - 19, 25, and 26(a)"

18

19 Page 16, line 21:

20 Delete "Sections 6 - 9, 20, and 25(b)"

21 Insert "Sections 6 - 9, 21, and 26(c)"

22

23 Page 16, line 22:

24 Delete "Sections 19 and 25(c)"

25 Insert "Sections 20 and 26(c)"

26

27 Page 16, line 23:

28 Delete "secs. 27 - 29"

Insert "secs. 28 - 30"

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVES KAWASAKI

TO: HB 110

AND GARDNER

1 Page 12, following line 5:

2 Insert a new bill section to read:

3 **"* Sec. 17.** AS 43.55.023 is amended by adding a new subsection to read:

4 (p) A producer that incurs more than 80 percent of its wage and compensation
5 expenditures for wages and compensation paid to Alaska residents may take a tax
6 credit against the tax levied under AS 43.55.011(e) equal to the percentage by which
7 the wages and compensation paid to Alaska residents exceeds 80 percent of all wages
8 and compensation paid by the producer in the state. The department, in consultation
9 with the Department of Labor and Workforce Development, shall adopt regulations
10 necessary to administer the credit authorized by this subsection. Notwithstanding (c)
11 of this section, the unused amount of credit under this subsection may not be carried
12 forward for more than two years, and, notwithstanding (d), (e), and (g) of this section,
13 a producer may not transfer a tax credit or obtain a transferable tax credit certificate
14 for a credit authorized under this subsection. In this subsection, "Alaska resident" has
15 the meaning given in AS 43.82.230."

16
17 Renumber the following bill sections accordingly.

18
19 Page 16, line 8:

20 Delete "Sections 11, 12, 15, and 16"

21 Insert "Sections 11, 12, and 15 - 17"

22
23 Page 16, line 10:

1 Delete "Sections 6 - 9 and 20"

2 Insert "Sections 6 - 9 and 21"

3

4 Page 16, line 12:

5 Delete "Section 19"

6 Insert "Section 20"

7

8 Page 16, line 20:

9 Delete "Sections 11, 12, 14 - 18, 24, and 25(a)"

10 Insert "Sections 11, 12, 14 - 19, 25, and 26(a)"

11

12 Page 16, line 21:

13 Delete "Sections 6 - 9, 20, and 25(b)"

14 Insert "Sections 6 - 9, 21, and 26(b)"

15

16 Page 16, line 22:

17 Delete "Sections 19 and 25(c)"

18 Insert "Sections 20 and 26(c)"

19

20 Page 16, line 23:

21 Delete "secs. 27 - 29"

22 Insert "secs. 28 - 30"

AMENDMENT

OFFERED IN THE HOUSE
TO: HB 110

BY REPRESENTATIVE SEATON

- 1 Page 15, line 10:
- 2 Delete "1/12 of"
- 3
- 4 Page 15, line 11:
- 5 Delete "year"
- 6 Insert "month"
- 7
- 8 Page 15, line 13:
- 9 Delete "year"
- 10 Insert "month"

AMENDMENT 27

CONCEPTUAL AMENDMENT (Legal Services copy pending)

OFFERED IN THE HOUSE

BY REPRESENTATIVE SEATON

TO: HB 110

AS 43.55.023(1)

40 percent of the expenditures incurred in the state north of 68 degrees north latitude that exceed the average annual well expenditures for the second and third calendar years preceding the year for which the credit is being determined