

ALASKA STATE LEGISLATURE



REPRESENTATIVE GERAN TARR

Sectional Analysis HB 288-OIL AND GAS PRODUCTION TAX

Section One:

Increases the minimum tax from four percent to seven percent, for leases and properties above 68 degrees North latitude, at the gross value at the point of production. The minimum tax increase would be when the average Alaska North Slope crude oil for sale on the United States West Coast is above \$25 dollars per barrel during the calendar year for which the tax is due.

When the price per barrel is below \$25 the minimum tax rates will be the same. Tax rates will remain three percent when the price is between \$25 and \$20, two percent when price is between \$20 and \$17.50, one percent when the prices is between \$17.50 and \$15, and zero percent when the price is less than \$15.

Section Two:

Conforming language.

Section Three:

The effective date is January 1, 2019.