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House Bill 280

"The Cook Inlet Recovery Act"

Changes in Work Draft v. C

The changes from the House Labor and Commerce committee substitute (Ver. P) are:

- **Sec. 2.** Directs the Alaska Oil and Gas Conservation Commission to certify a natural gas storage facility's working gas capacity rounded to the nearest 500 million cubic feet instead of the nearest 1 billion cubic feet.
- **Sec. 2.** Increases to 100 million cubic feet the minimum annual injection or withdrawal of natural gas required for a gas storage facility to qualify for and retain its tax credit and state land lease fee exemption.
- **Sec. 2.** Eliminates pipelines as eligible for the gas storage facility tax credit.
- **Sec. 8.** Clarifies the boundaries and facilities of a gas storage facility that would be subject to regulation by the Regulatory Commission of Alaska, and specifies that RCA regulation extends only to gas storage facilities operated exclusively or primarily for the benefit of gas owned by third-party customers.
- **Secs. 10, 17 and 19.** Changes the tax credit offered for development of a gas storage facility from a transferrable tax credit to a refundable tax credit. The end result is the same — the taxpayer could receive a payment from the state for the full value of the refundable credit if the taxpayer does not have enough tax liability to fully use the credit. The Department of Revenue advised that a refundable tax credit would be easier to administer than a transferable tax credit.
- **Sec. 10.** Reduces the maximum tax credit for a gas storage facility to \$15 million from \$30 million in Version P.