

Alaska Oil Gas Tax Legislation

Bill	SB305 / HB414 (Stedman / Johnson)	HB280 (Hawker / Chenault)	HB337 (GOV)	SB271 (GOV)	HB229/ SB309 (Chenault / Olson)	HB217 / SB192 (Newam / McGuire)	SB228 (French / Wielechowski)	OTHER Single Provis. / Less Actn.
Status	Passed (S): HRES	Passed (H): SFIN	HFIN	SRES	SRES	HFIN	SFIN	
Waiver of Interest on retroactive regulations			X	X				
Eliminate 2 Yr. Credit Split		C.I. gas only	X	X	X			
Eliminate Reinvestment Requirement		C.I. gas only	X	X	X			
Interest Rate on Over/Underpayments			Fed+5%					
Production Tax credits		40% .023 credit on "C.I. Well Lease Expenditures" for oil or gas; data provided to DNR;	30% .023 Credit for "Well-Related Exenditures" and seismic within unit; Data provided to DNR.	30% .025 Credit for "Development Well Exenditures" and seismic within unit; Data provided to DNR.	.025 credit of 80%, 90% and 100% of total exploration expenditures (capped at \$20, \$22.5, and \$25 million respectively) for first three new exploration wells into Pre-Tertiary in C.I. drilled with a jack up drill rig. Reimbursement of 1/2 of credit back to state if well discovers productive reservoir.	Allows election of C.I. tax treatment for gas used in-state; "Used in State" is changed to include feedstock used for manufacturing	Extends current tax treatment for gas which is used in state to include gas used as feedstock for manufacturing, excluding Gas processing, gas treatment, dehydration, fractionation, compression and liquefaction	HB351 (Kelly) (NEW) .011 'tax holiday' credit for first 10 years of production
CIT credits		Storage Facility must be regulated under AS42.05; \$1.50 credit for each 1000 cubic ft. of working gas storage capacity in 42.05 regulated storage facility; May not exceed \$15 million or 25% costs incurred to establish gas storage facility; storage any where in state; credit is refundable under .028.			Increases credit from 10% to 25% for gas, "Qualified Capital Investments" and "Qualified Services"; covers unsuccessful gas wells; excludes LNG facilities; Credit no longer capped at 50% of CIT liability; No data to DNR		Credit for facility producing liquids from gas, coal or biomass; Credit is for teired amounts ranging from 40% to 100% for investments up to \$1 billion	SB203 (Fr. / Wiel) 20% credit for qualified capital investment in C.I. 42.05 regulated storage facility for gas
Tax Rate / Production Tax Decoupling	Progressivity applies separately to both oil and gas; DOR directed to pass regulations to allocate lease expenditures between oil and gas, and to consider BOE basis.							HB321 (Millet) Reduces base rate from 25% to 20%
Sunset dates			Well Related Credit 7/1/2016	Well related credit 7/1/2016	CIT credit expires 2020, with credits usable 5 yrs until 2024		For costs incurred by December 31, 2020	
Other	Allows progressivity to be made available to for community revenue sharing; excludes C.I. production and instate gas from new gas progressivity; Progressivity sections retroactive to Jan 1, 2010	Removes C.I Ringfence for production tax; exempts storage facility from DNR fees; clarifies AS43.55.020(f) on date of valuation of stored gas.	Cleans up other DOR Interest rate references		CIT Credit to be reflected in RCA rates			