

Senate Resources

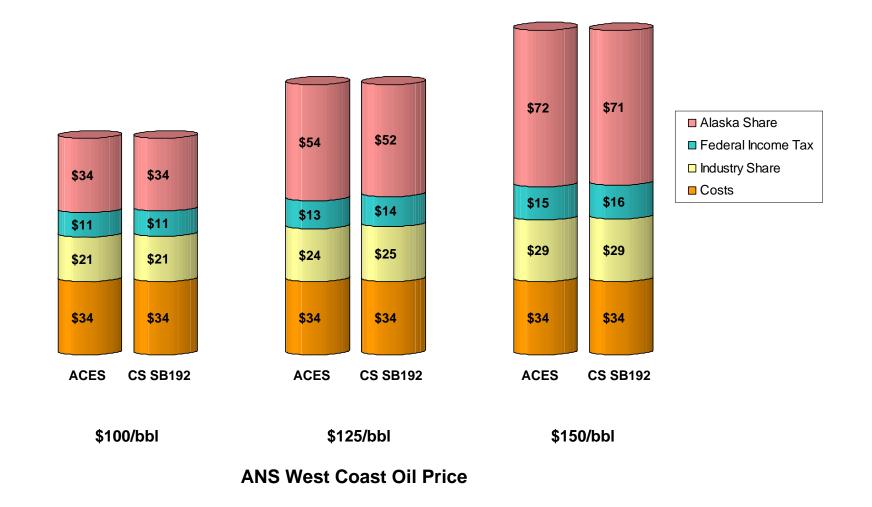
CS SB192 and Potential Amendments

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CS SB192 has Minimal Impact



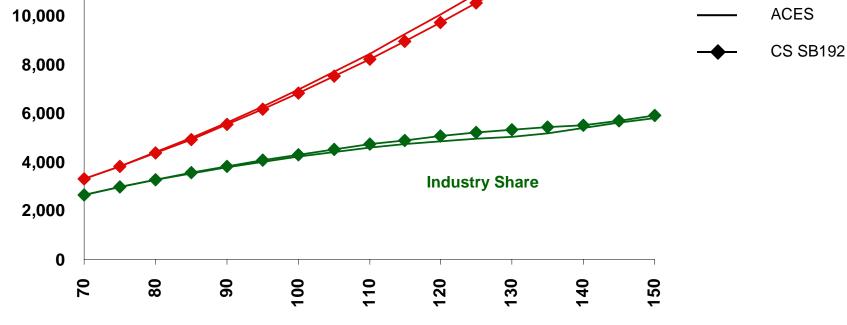


\$MM

16,000

14,000

12,000



Alaska Share

ANS West Coast Oil Price, \$/bbl

CS SB192 has minimal impact

Alaska Share includes royalty, severance tax, income tax, and property tax

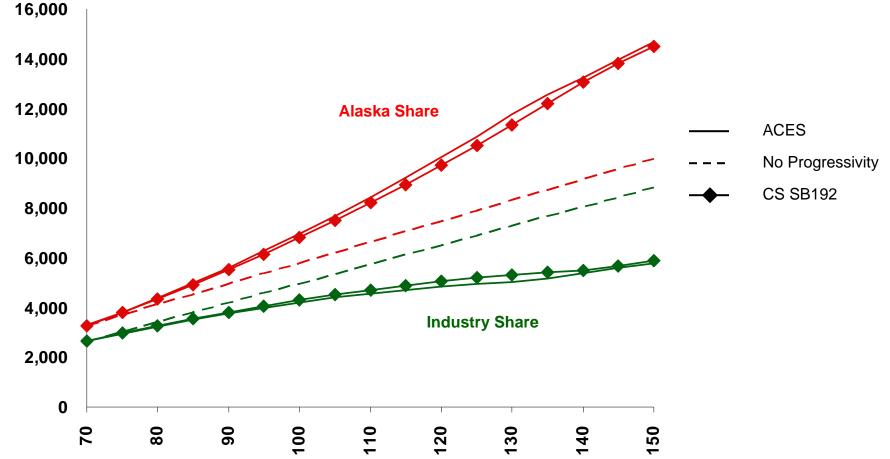


Alaska / Industry Share

12,000

\$MM

Alaska / Industry Share



ANS West Coast Oil Price, \$/bbl

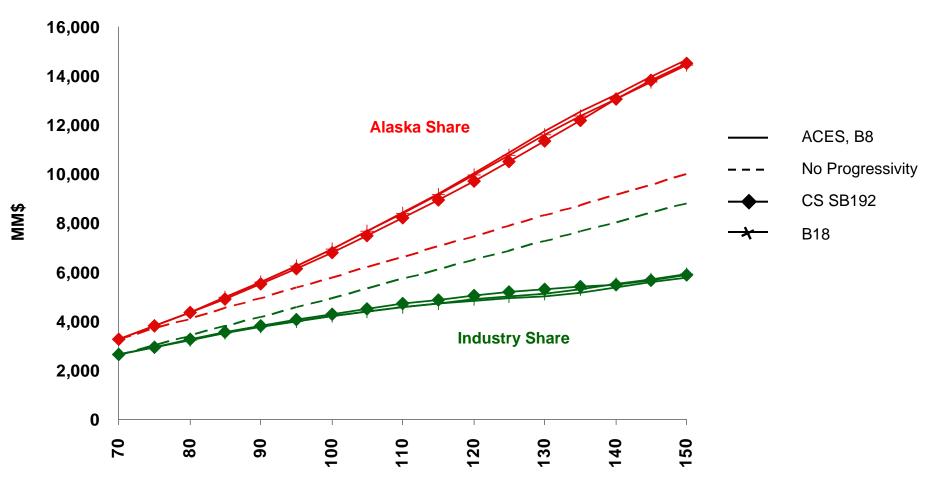
Both Alaska and industry share in the upside with no progressivity

Based on Fall 2011 RSB for FY2013 Assume 35% federal tax rate, 9.4% SIT rate Alaska Share includes royalty, severance tax, income tax, and property tax



Alaska / Industry Share





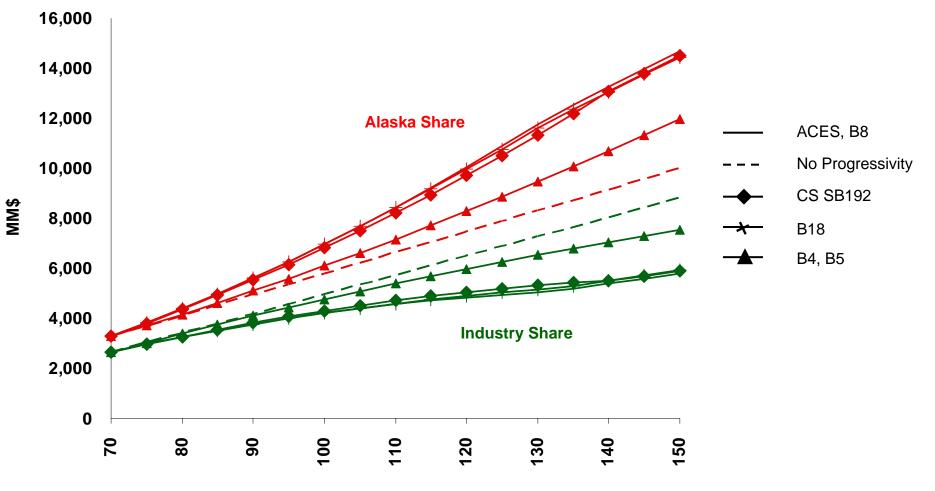
ANS West Coast Oil Price, \$/bbl

B8 and B18 amendments have negligible impact

Based on Fall 2011 RSB for FY2013 Assume 35% federal tax rate, 9.4% SIT rate Alaska Share includes royalty, severance tax, income tax, and property tax

Alaska / Industry Share





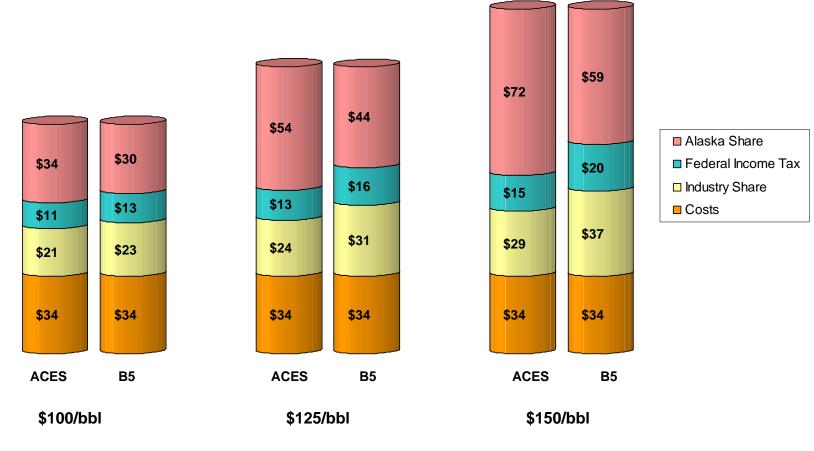
ANS West Coast Oil Price, \$/bbl

Bracketed progressivity makes a meaningful impact

Based on Fall 2011 RSB for FY2013 Assume 35% federal tax rate, 9.4% SIT rate Alaska Share includes royalty, severance tax, income tax, and property tax

Bracketed Progressivity is Meaningful





ANS West Coast Oil Price





- Bracketed progressivity has the potential to have a positive, material impact on severance tax
- Inflation indexing progressivity trigger points makes sense
- Progressivity is the problem the other proposed amendments do not fix the problem
- CS SB192 as currently proposed will not change investment climate