



# Overview of SB 21 Oil & Gas Production Tax



*January 22, 2013*  
*Alaska Department of Revenue*



# The Proposal (Highlights)

1. Eliminate Progressivity and Credits Based on Capital Expenditures.
2. Reform remaining credits to be carried forward to when there is production.
3. Establish a “Gross Revenue Exclusion” for newer units and new participating areas in existing units (NEW OIL).
4. Hold Cook Inlet and Middle Earth Harmless.



# Eliminate Progressivity & Credits Based on Capital Expenditures



## Progressivity

Main Sections: 1,2,26

Conforming Sections: 5,6,22,23

## North Slope QCE Credits

Main Sections: 8

Conforming Sections: 7, 11, 12



Reform remaining credits to be carried forward to when there is production.



## **North Slope Net Operating Loss Credits**

Main Sections: 9, 15

Conforming Sections: 10, 19, 20

## **Small Producer Tax Credits**

Main Sections: 16



Establish a “Gross Revenue Exclusion” for newer units and new participating areas in existing units.



## **Gross Revenue Exclusion (The GRE)**

Main Sections: 24

Conforming Sections: 5



# Hold Cook Inlet and Middle Earth Harmless



## Hold Cook Inlet & Middle Earth Harmless

Main Sections: 3

Conforming Sections: 4, 13, 14, 17, 18, 21, 25