

AMENDMENT # 1

OFFERED IN THE SENATE
TO: SB 21

BY SENATOR GARDNER

- 1 Page 9, line 30, through page 11, line 3:
2 Delete all material.
3
4 Renumber the following bill sections accordingly.
5
6 Page 11, line 29, through page 12, line 17:
7 Delete all material.
8
9 Renumber the following bill sections accordingly.
10
11 Page 13, line 15, through page 16, line 25:
12 Delete all material.
13
14 Renumber the following bill sections accordingly.
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16 Page 18, line 14, through page 19, line 4:
17 Delete all material.
18
19 Renumber the following bill sections accordingly.
20
21 Page 23, line 15:
22 Delete "Sections 2, 5, 6, 22 - 24, and 26"
23 Insert "Sections 2, 5, 6, 16 - 18, and 20"

1

2 Page 23, line 17:

3 Delete "Sections 3 and 21"

4 Insert "Sections 3 and 15 of this Act"

5

6 Page 23, line 18:

7 Delete "Sections 7, 11, 13, 14, and 25"

8 Insert "Section 7 - 10 and 19"

9

10 Page 23, lines 20 - 21:

11 Delete all material.

12

13 Page 23, line 24:

14 Delete "Sections 3, 7, 11, 13, 14, 17, 21, and 25"

15 Insert "Sections 3, 7 - 10, 12, 15, and 19"

16

17 Page 23, line 31:

18 Delete "Sections 1, 2, 5, 6, 9, 10, 12, 15, 20, 22 - 24, and 26"

19 Insert "Sections 1, 2, 5, 6, 16 - 18, and 20"

20

21 Page 24, line 2:

22 Delete "sec. 30"

23 Insert "sec. 24"

AMENDMENT # 2

OFFERED IN THE SENATE

BY SENATOR GARDNER

TO: SB 21

- 1 Page 23, line 3, following "section,":
- 2 Insert "for the first seven years immediately following the commencement of
- 3 production subject to tax under AS 43.55.011(e),"

AMENDMENT #3

OFFERED IN THE SENATE

BY SENATOR GARDNER

TO: SB 21

- 1 Page 10, line 19, through page 11, line 3:
2 Delete all material.
3
4 Renumber the following bill sections accordingly.
5
6 Page 11, line 29:
7 Delete "sec. 11"
8 Insert "sec. 9"
9
10 Page 13, line 15, through page 16, line 25:
11 Delete all material.
12
13 Renumber the following bill sections accordingly.
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15 Page 18, line 14, through page 19, line 4:
16 Delete all material.
17
18 Renumber the following bill sections accordingly.
19
20 Page 23, line 15:
21 Delete "Sections 2, 5, 6, 22 - 24, and 26"
22 Insert "Sections 2, 5, 6, 18 - 20, and 22"
23

- 1 Page 23, line 17:
- 2 Delete "Sections 3 and 21"
- 3 Insert "Sections 3 and 17 of this Act"
- 4
- 5 Page 23, line 18:
- 6 Delete "Sections 7, 11, 13, 14, and 25"
- 7 Insert "Sections 7, 9, 11, 12, and 21"
- 8
- 9 Page 23, line 20:
- 10 Delete "Sections 9, 10, 12, 15, and 20 of this Act apply"
- 11 Insert "Section 10 of this Act applies"
- 12
- 13 Page 23, line 24:
- 14 Delete "Sections 3, 7, 11, 13, 14, 17, 21, and 25"
- 15 Insert "Sections 3, 7, 9, 11, 12, 14, 17, and 21"
- 16
- 17 Page 23, line 31:
- 18 Delete "Sections 1, 2, 5, 6, 9, 10, 12, 15, 20, 22 - 24, and 26"
- 19 Insert "Sections 1, 2, 5, 6, 10, 18 - 20, and 22"
- 20
- 21 Page 24, line 2:
- 22 Delete "sec. 30"
- 23 Insert "sec. 26"

AMENDMENT #4

OFFERED IN THE SENATE

BY SENATOR GARDNER

TO: SB 21

1 Page 1, line 2, following "rate;":

2 Insert "relating to the minimum tax on oil and gas production;"

3

4 Page 2, following line 18:

5 Insert a new bill section to read:

6 **** Sec. 3. AS 43.55.01 1(f) is repealed and reenacted to read:**

7 (f) Except for oil and gas subject to (i) of this section and gas subject to (o) of
8 this section, the provisions of this subsection apply to oil and gas produced from each
9 lease or property within a unit or nonunitized reservoir that has cumulatively produced
10 1,000,000,000 BTU equivalent barrels of oil or gas by the close of the most recent
11 calendar year and from which the average daily oil and gas production from the unit or
12 nonunitized reservoir during the most recent calendar year exceeded 100,000 BTU
13 equivalent barrels. Notwithstanding any contrary provision of law, a producer may not
14 apply tax credits to reduce its total tax liability under (e) of this section for oil and gas
15 produced from all leases or properties within the unit or nonunitized reservoir below
16 10 percent of the total gross value at the point of production of that oil and gas. If the
17 amount of tax calculated by multiplying the tax rate in (e) of this section by the total
18 production tax value of the oil and gas taxable under (e) of this section produced from
19 all of the producer's leases or properties within the unit or nonunitized reservoir is less
20 than 10 percent of the total gross value at the point of production of that oil and gas,
21 the tax levied by (e) of this section for that oil and gas is equal to 10 percent of the
22 total gross value at the point of production of that oil and gas. In this subsection, "total
23 gross value at the point of production" means the gross value at the point of

1 production as adjusted by AS 43.55.160(f), if applicable."
2

3 Renumber the following bill sections accordingly.
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5 Page 5, line 27:

6 Delete "sec. 4"

7 Insert "sec. 5"
8

9 Page 6, line 19, through page 7, line 5:

10 Delete all material and insert:

11 "(B) for oil and gas produced from leases or properties subject
12 to AS 43.55.011(f), 10 percent of the gross value at the point of production
13 of that oil and gas [THE GREATEST OF

14 (i) ZERO;

15 (ii) ZERO PERCENT, ONE PERCENT, TWO
16 PERCENT, THREE PERCENT, OR FOUR PERCENT, AS
17 APPLICABLE, OF THE GROSS VALUE AT THE POINT OF
18 PRODUCTION OF THE OIL AND GAS PRODUCED FROM THE
19 LEASES OR PROPERTIES DURING THE MONTH FOR WHICH
20 THE INSTALLMENT PAYMENT IS CALCULATED; OR

21 (iii) THE SUM OF 25 PERCENT AND THE TAX
22 RATE CALCULATED FOR THE MONTH UNDER AS 43.55.011(g)
23 MULTIPLIED BY THE REMAINDER OBTAINED BY
24 SUBTRACTING 1/12 OF THE PRODUCER'S ADJUSTED LEASE
25 EXPENDITURES FOR THE CALENDAR YEAR OF PRODUCTION
26 UNDER AS 43.55.165 AND 43.55.170 THAT ARE DEDUCTIBLE
27 FOR THE OIL AND GAS UNDER AS 43.55.160 FROM THE
28 GROSS VALUE AT THE POINT OF PRODUCTION OF THE OIL
29 AND GAS PRODUCED FROM THOSE LEASES OR PROPERTIES
30 DURING THE MONTH FOR WHICH THE INSTALLMENT
31 PAYMENT IS CALCULATED];"

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Page 9, line 30:

Delete "sec. 7"

Insert "sec. 8"

Page 11, line 29:

Delete "sec. 11"

Insert "sec. 12"

Page 23, line 15:

Delete "Sections 2, 5, 6, 22 - 24, and 26"

Insert "Sections 2, 3, 6, 7, 23 - 25, and 27"

Page 23, line 17:

Delete "Sections 3 and 21"

Insert "Sections 4 and 22 of this Act"

Page 23, line 18:

Delete "Sections 7, 11, 13, 14, and 25"

Insert "Sections 8, 12, 14, 15, and 26"

Page 23, line 20:

Delete "Sections 9, 10, 12, 15, and 20"

Insert "Sections 10, 11, 13, 16, and 21"

Page 23, line 24:

Delete "Sections 3, 7, 11, 13, 14, 17, 21, and 25"

Insert "Sections 4, 8, 12, 14, 15, 18, 22, and 26"

Page 23, line 31:

Delete "Sections 1, 2, 5, 6, 9, 10, 12, 15, 20, 22 - 24, and 26"

1 Insert "Sections 1, 2, 3, 6, 7, 10, 11, 13, 16, 21, 23 - 25, and 27"

2

3 Page 24, line 2:

4 Delete "sec. 30"

5 Insert "sec. 31"

AMENDMENT #5

OFFERED IN THE SENATE
TO: SB 21

BY SENATOR GARDNER

1 Page 1, lines 1 - 2:

2 Delete "relating to appropriations from taxes paid under the Alaska Net Income
3 Tax Act;"

4
5 Page 1, line 12, through page 2, line 18:

6 Delete all material and insert:

7 **** Section 1.** AS 43.55.011(g) is amended to read:

8 (g) For each month of the calendar year for which the producer's average
9 monthly production tax value under AS 43.55.160(a)(2) of a [PER] BTU equivalent
10 barrel of the taxable oil and gas is more than \$30, the amount of tax for purposes of
11 (e)(2) of this section is determined by multiplying the monthly production tax value of
12 the taxable oil and gas produced during the month by the tax rate calculated as
13 follows:

14 (1) if the producer's average monthly production tax value of a [PER]
15 BTU equivalent barrel of the taxable oil and gas for the month is not more than \$62.50
16 [\$92.50], the tax rate is 0.4 percent multiplied by the number that represents the
17 difference between that average monthly production tax value of a [PER] BTU
18 equivalent barrel and \$30; [OR]

19 (2) if the producer's average monthly production tax value of a [PER]
20 BTU equivalent barrel of the taxable oil and gas for the month is more than \$62.50
21 but not more than \$92.50, the tax rate is the sum of 13 [25] percent and the product
22 of 0.3 [0.1] percent multiplied by the number that represents the difference between
23 the average monthly production tax value of a [PER] BTU equivalent barrel and

1 **\$62.50; or**

2 **(3) if the producer's average monthly production tax value of a**
 3 **BTU equivalent barrel of the taxable oil and gas for the month is more than**
 4 **\$92.50, the tax rate is the sum of 22 percent and the product of 0.1 percent**
 5 **multiplied by the number that represents the difference between the average**
 6 **monthly production tax value of a BTU equivalent barrel and \$92.50, except that**
 7 **the sum determined under this paragraph may not exceed 35 [50] percent."**

8
 9 Renumber the following bill sections accordingly.

10
 11 Page 5, line 27:

12 Delete "sec. 4"

13 Insert "sec. 3"

14
 15 Page 6, lines 11 - 13:

16 Delete "[THE SUM OF] 25 percent of [AND THE TAX RATE CALCULATED FOR
 17 THE MONTH UNDER AS 43.55.011(g) MULTIPLIED BY]"

18 Insert "the sum of 25 percent and the tax rate calculated for the month under
 19 AS 43.55.011(g) multiplied by"

20
 21 Page 6, lines 26 - 28:

22 Delete "[THE SUM OF] 25 percent of [AND THE TAX RATE CALCULATED FOR
 23 THE MONTH UNDER AS 43.55.011(g) MULTIPLIED BY]"

24 Insert "the sum of 25 percent and the tax rate calculated for the month under
 25 AS 43.55.011(g) multiplied by"

26
 27 Page 7, lines 9 - 11:

28 Delete "[THE SUM OF] 25 percent of [AND THE TAX RATE CALCULATED FOR
 29 THE MONTH UNDER AS 43.55.011(g) MULTIPLIED BY]"

30 Insert "the sum of 25 percent and the tax rate calculated for the month under
 31 AS 43.55.011(g) multiplied by"

1

2 Page 7, lines 19 - 21:

3 Delete "[THE SUM OF] 25 percent of [AND THE TAX RATE CALCULATED FOR
4 THE MONTH UNDER AS 43.55.011(g) MULTIPLIED BY]"5 Insert "the sum of 25 percent and the tax rate calculated for the month under
6 AS 43.55.011(g) multiplied by"

7

8 Page 8, line 25, through page 9, line 11:

9 Delete all material.

10

11 Renumber the following bill sections accordingly.

12

13 Page 9, line 30:

14 Delete "sec. 7"

15 Insert "sec. 5"

16

17 Page 11, line 29:

18 Delete "sec. 11"

19 Insert "sec. 9"

20

21 Page 21, line 10, though page 22, line 31:

22 Delete all material and insert:

23 **** Sec. 20.** AS 43.55.160(a), as amended by sec. 19 of this Act, is amended to read:24 (a) Except as provided in (b) **and (f)** of this section, for the purposes of25 (1) AS 43.55.011(e), the annual production tax value of the taxable oil,
26 gas, or oil and gas subject to this paragraph produced during a calendar year is the
27 gross value at the point of production of the oil, gas, or oil and gas taxable under
28 AS 43.55.011(e), less the producer's lease expenditures under AS 43.55.165 for the
29 calendar year applicable to the oil, gas, or oil and gas, as applicable, produced by the
30 producer from leases or properties, as adjusted under AS 43.55.170; this paragraph
31 applies to

1 (A) oil and gas produced from leases or properties in the state
2 that include land north of 68 degrees North latitude, other than gas produced
3 before 2022 and used in the state;

4 (B) oil and gas produced from leases or properties in the state
5 outside the Cook Inlet sedimentary basin, no part of which is north of 68
6 degrees North latitude; this subparagraph does not apply to

7 (i) gas produced before 2022 and used in the state; or

8 (ii) oil and gas subject to AS 43.55.011(p);

9 (C) oil produced before 2022 from each lease or property in the
10 Cook Inlet sedimentary basin;

11 (D) gas produced before 2022 from each lease or property in
12 the Cook Inlet sedimentary basin;

13 (E) gas produced before 2022 from each lease or property in
14 the state outside the Cook Inlet sedimentary basin and used in the state, other
15 than gas subject to AS 43.55.011(p);

16 (F) oil and gas subject to AS 43.55.011(p) produced from
17 leases or properties in the state;

18 (G) oil and gas produced from leases or properties in the state
19 no part of which is north of 68 degrees North latitude, other than oil or gas
20 described in (B), (C), (D), (E), or (F) of this paragraph;

21 (2) AS 43.55.011(g), the monthly production tax value of the taxable

22 (A) oil and gas produced during a month from leases or
23 properties in the state that include land north of 68 degrees North latitude is the
24 gross value at the point of production of the oil and gas taxable under
25 AS 43.55.011(e) and produced by the producer from those leases or properties,
26 less 1/12 of the producer's lease expenditures under AS 43.55.165 for the
27 calendar year applicable to the oil and gas produced by the producer from
28 those leases or properties, as adjusted under AS 43.55.170; this subparagraph
29 does not apply to gas subject to AS 43.55.011(o);

30 (B) oil and gas produced during a month from leases or
31 properties in the state outside the Cook Inlet sedimentary basin, no part of

1 which is north of 68 degrees North latitude, is the gross value at the point of
2 production of the oil and gas taxable under AS 43.55.011(e) and produced by
3 the producer from those leases or properties, less 1/12 of the producer's lease
4 expenditures under AS 43.55.165 for the calendar year applicable to the oil and
5 gas produced by the producer from those leases or properties, as adjusted under
6 AS 43.55.170; this subparagraph does not apply to gas subject to
7 AS 43.55.011(o);

8 (C) oil produced during a month from a lease or property in the
9 Cook Inlet sedimentary basin is the gross value at the point of production of
10 the oil taxable under AS 43.55.011(e) and produced by the producer from that
11 lease or property, less 1/12 of the producer's lease expenditures under
12 AS 43.55.165 for the calendar year applicable to the oil produced by the
13 producer from that lease or property, as adjusted under AS 43.55.170;

14 (D) gas produced during a month from a lease or property in
15 the Cook Inlet sedimentary basin is the gross value at the point of production
16 of the gas taxable under AS 43.55.011(e) and produced by the producer from
17 that lease or property, less 1/12 of the producer's lease expenditures under
18 AS 43.55.165 for the calendar year applicable to the gas produced by the
19 producer from that lease or property, as adjusted under AS 43.55.170;

20 (E) gas produced during a month from a lease or property
21 outside the Cook Inlet sedimentary basin and used in the state is the gross
22 value at the point of production of that gas taxable under AS 43.55.011(e) and
23 produced by the producer from that lease or property, less 1/12 of the
24 producer's lease expenditures under AS 43.55.165 for the calendar year
25 applicable to that gas produced by the producer from that lease or property, as
26 adjusted under AS 43.55.170."

27
28 Renumber the following bill sections accordingly.

29
30 Page 23, line 1:

31 Delete "a new subsection"

1 Insert "new subsections"

2

3 Page 23, following line 10:

4

 Insert a new subsection to read:

5

 "(g) A separate annual production tax value must be calculated under (a)(1) of
6 this section for

7

 (1) oil and gas produced from leases or properties in the state that
8 include land north of 68 degrees North latitude, other than gas produced before 2022
9 and used in the state;

10

 (2) oil and gas produced from leases or properties in the state outside
11 the Cook Inlet sedimentary basin, no part of which is north of 68 degrees North
12 latitude, during a calendar year before or during the last calendar year under
13 AS 43.55.024(b) for which the producer could take a tax credit under
14 AS 43.55.024(a); this paragraph does not apply to

15

 (A) gas produced before 2022 and used in the state; or

16

 (B) oil and gas subject to AS 43.55.011(p);

17

 (3) oil produced before 2022 from each lease or property in the Cook
18 Inlet sedimentary basin;

19

 (4) gas produced before 2022 from each lease or property in the Cook
20 Inlet sedimentary basin;

21

 (5) gas produced before 2022 from each lease or property in the state
22 outside the Cook Inlet sedimentary basin and used in the state, other than gas subject
23 to AS 43.55.011(p);

24

 (6) oil and gas subject to AS 43.55.011(p) produced from leases or
25 properties in the state;

26

 (7) oil and gas produced from leases or properties in the state no part
27 of which is north of 68 degrees North latitude, other than oil or gas described in (2),
28 (3), (4), (5), or (6) of this subsection."

29

30 Page 23, line 12:

31

 Delete "AS 43.55.011(g), 43.55.023(i), and 43.55.160(c) are"

- 1 Insert "AS 43.55.023(i) is"
- 2
- 3 Page 23, line 15:
- 4 Delete "Sections 2, 5, 6, 22 - 24, and 26"
- 5 Insert "Sections 1, 4, 20, 21, and 23"
- 6
- 7 Page 23, line 17:
- 8 Delete "Sections 3 and 21"
- 9 Insert "Sections 2 and 19 of this Act"
- 10
- 11 Page 23, line 18:
- 12 Delete "Sections 7, 11, 13, 14, and 25"
- 13 Insert "Sections 5, 9, 11, 12, and 22"
- 14
- 15 Page 23, line 20:
- 16 Delete "Sections 9, 10, 12, 15, and 20"
- 17 Insert "Sections 7, 8, 10, 13, and 18"
- 18
- 19 Page 23, line 24:
- 20 Delete "Sections 3, 7, 11, 13, 14, 17, 21, and 25"
- 21 Insert "Sections 2, 5, 9, 11, 12, 15, 19, and 22"
- 22
- 23 Page 23, line 31:
- 24 Delete "Sections 1, 2, 5, 6, 9, 10, 12, 15, 20, 22 - 24, and 26"
- 25 Insert "Sections 1, 4, 7, 8, 10, 13, 18, 20, 21, and 23"
- 26
- 27 Page 24, line 2:
- 28 Delete "sec. 30"
- 29 Insert "sec. 27"