

# FISCAL NOTE

**STATE OF ALASKA**  
**2014 LEGISLATIVE SESSION**

Bill Version HB 334  
 Fiscal Note Number \_\_\_\_\_  
 () Publish Date \_\_\_\_\_

Identifier (file name) HB334-DOR-TAX-03-05-14 Dept. Affected Revenue  
 Title Oil and Gas Transferable Tax Credit Certificate Appropriation Taxation and Treasury  
 Allocation Tax Division  
 Sponsor Rep. Pruitt  
 Requester (H) RES OMB Component Number 2476

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	FY15	Included in Governor's	Out-Year Cost Estimates				
	Appropriation Requested	FY15 Request	FY16	FY17	FY18	FY19	FY20
<b>OPERATING EXPENDITURES</b>	<b>FY15</b>	<b>FY15</b>	<b>FY16</b>	<b>FY17</b>	<b>FY18</b>	<b>FY19</b>	<b>FY20</b>
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants, Benefits							
Miscellaneous							
<b>TOTAL OPERATING</b>	<b>***</b>	<b>0.0</b>	<b>***</b>	<b>***</b>	<b>***</b>	<b>***</b>	<b>***</b>

**FUND SOURCE** (Thousands of Dollars)

1002	Federal Receipts						
1003	GF Match						
1004	GF						
1005	GF/Prgm (DGF)						
1007	I/A Rcpts (Other)						
1156	Rcpt Svcs (DGF)						
		<b>***</b>	<b>0.0</b>	<b>***</b>	<b>***</b>	<b>***</b>	<b>***</b>

**POSITIONS**

Full-time							
Part-time							
Temporary							

**CHANGE IN REVENUES**      \*\*\*      0.0      \*\*\*      \*\*\*      \*\*\*      \*\*\*      \*\*\*

**Estimated SUPPLEMENTAL (FY14) operating costs** \_\_\_\_\_ (separate supplemental appropriation required)  
 (discuss reasons and fund source(s) in analysis section)

**Estimated CAPITAL (FY15) costs** \_\_\_\_\_ (separate capital appropriation required)  
 (discuss reasons and fund source(s) in analysis section)

**ASSOCIATED REGULATIONS**

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? Yes  
 If yes, by what date are the regulations to be adopted, amended, or repealed? 12/31/2015 Discuss details in analysis section.

**Why this fiscal note differs from previous version (if initial version, please note as such)**

Initial version.

Prepared by Matt Fonder, Director  
 Division Tax  
 Approved by Angela M. Rodell, Commissioner  
 Division Department of Revenue

Phone (907) 269-1033  
 Date/Time 03/06/14 2:00 p.m.  
 Date 03/07/14

## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2014 LEGISLATIVE SESSION

BILL NO. HB 334

### Analysis

**Bill Language:**

This bill would allow a person who obtained a credit under AS 43.20.049 (oil and gas service industry credit from More Alaksa Production Act) to apply to the department for a transferable tax credit certificate. That certificate could only be transferred to the initial purchaser of the tangible personal property which was the basis for the credit under AS 43.20.049.

A transferable tax credit certificate issued under this bill could only be applied against oil and gas property taxes under AS 43.56.

The bill also amends AS 43.56 by adding a new section which allows an oil and gas property taxpayer to apply a credit or a portion of a credit obtained under Section 1 of the bill against the property tax levied by the state. The credit may not reduce the taxpayer's liability below zero, and the bill also allows a taxpayer to carry-forward any unused credit amounts for five years immediately following the tax year in which the expenditure that was the basis of the credit was incurred.

**Revenues:**

The department is unable to determine the amount of credits which may be claimed by taxpayers as the department currently has no information about the amount of this type of activity in the state. Therefore, the department has no basis with which to formulate an estimated effect on revenues.

**Expenditures:**

The department can implement the provisions of this bill with existing resources.

**Regulations:**

The department expects it will need to draft regulations identifying the information a taxpayer will be required to provide when claiming the credit.