

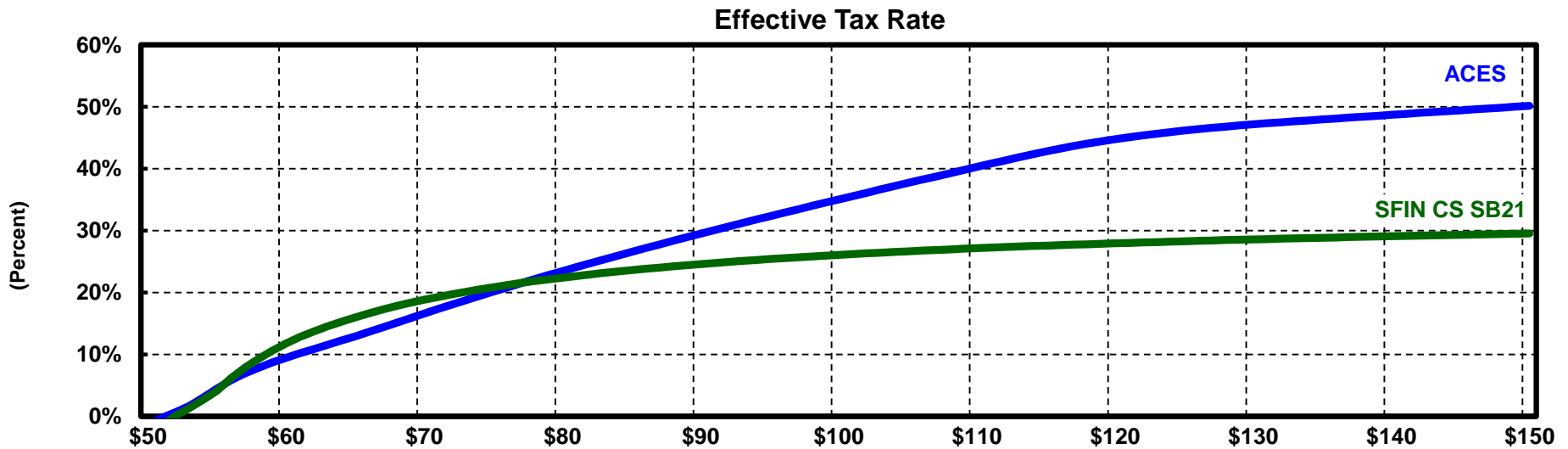
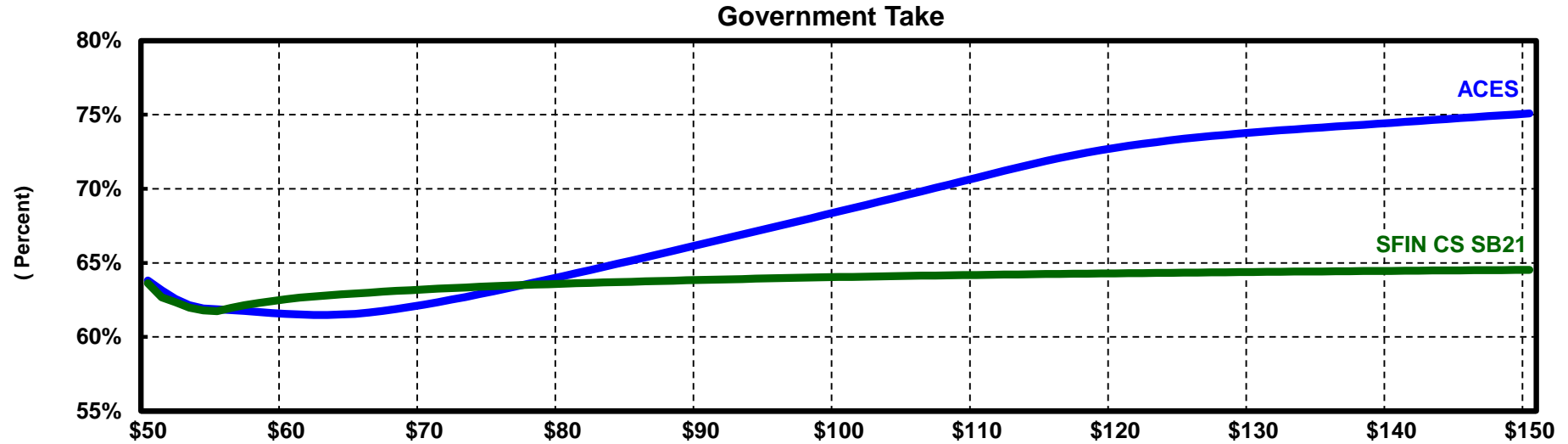
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# **Comments on Senate Finance CS SB21**

**Barry Pulliam  
Managing Director  
Econ One Research, Inc.**

**March 14, 2013**

# Average Government Take and Effective Tax Rate ACES v. SFIN CS SB21 for All Existing Producers (FY2015-FY2019)



# Projected Fiscal Impact of SFIN CS SB21 Assuming No Production Change (FY2014 - FY2043)



Year	Nominal Impact	Real \$2012 Impact	
	(\$ Million)	(\$2012 Million)	
	(1)	(2)	
FY2014	\$825	\$795	<b>DOR Fiscal Impact</b>
FY2015	565	531	
FY2016	765	702	
FY2017	1,115	998	
FY2018	1,205	1,052	
FY2019	1,205	1,026	
FY2020	1,131	940	<b>Additional Fiscal Projection</b>
FY2021	1,061	860	
FY2022	995	787	
FY2023	934	720	
FY2024	876	659	
FY2025	821	603	
FY2026	771	553	
FY2027	725	507	
FY2028	680	464	
FY2029	635	422	
FY2030	593	385	
FY2031	554	351	
FY2032	517	320	
FY2033	483	291	
FY2034	452	266	
FY2035	422	242	
FY2036	395	221	
FY2037	369	202	
FY2038	345	184	
FY2039	323	168	
FY2040	301	153	
FY2041	281	139	
FY2042	263	127	
FY2043	245	115	
<b>Total FY2014 - FY2019 (6 Years)</b>	<b>\$5,700</b>	<b>\$5,100</b>	
<b>Total FY2014 - FY2043 (30 Years)</b>	<b>\$19,900</b>	<b>\$14,800</b>	

# Additional Volumes Need to Offset Projected Fiscal Impact of SFIN CS SB21 (FY2014 - FY2043)



Assumptions: \$20/Bbl Development Cost  
 Price = \$105/Bbl West Coast ANS Price (\$2012)  
 Taxes Per Senate Finance CS SB21: 33% Base Rate, \$5 Allowance, 20% GRE

	<u>16.67% Royalty</u>	<u>12.5% Royalty</u>
State Revenue Per Barrel Developed		
Nominal Dollars	\$35.00	\$31.50
2012 Dollars	\$25.00	\$22.50
Fiscal Note Impact (FY2014 - FY2043)		
Nominal Dollars	\$19,900	\$19,900
2012 Dollars	\$14,800	\$14,800
Total Barrels Needed to Develop (MMBO)	592	658
Annual Barrels Needed (MMBO)	20	22
Central North Slope Undiscovered Conventional Economically Recoverable Resources	3,000	3,000
% of Resources Required Annually	0.7%	0.7%

# Additional Volumes Need to Offset Projected Fiscal Impact of SFIN CS SB21 (FY2014 - FY2019)



Assumptions: \$20/Bbl Development Cost  
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 Taxes Per Senate Finance CS SB21: 33% Base Rate, \$5 Allowance, 20% GRE

	<u>16.67% Royalty</u>	<u>12.5% Royalty</u>
State Revenue Per Barrel Developed		
Nominal Dollars	\$35.00	\$31.50
2012 Dollars	\$25.00	\$22.50
Fiscal Note Impact (FY2014 - FY2019)		
Nominal Dollars	\$5,700	\$5,700
2012 Dollars	\$5,100	\$5,100
Total Barrels Needed to Develop (MMBO)	204	227
Annual Barrels Needed (MMBO)	34	38
Central North Slope Undiscovered Conventional Economically Recoverable Resources	3,000	3,000
% of Resources Required Annually	1.1%	1.3%