

Title: Production Tax Credits Detail FY 2007 to FY 2025

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Purpose: Provide detailed data on refunded production tax credits and production tax credits against liability historically from FY 07 to FY 15, and forecasted from FY 16 to FY 25; broken out by North Slope and Non-North Slope.

Date: 1/19/2016

Data Source: Fall 2015 Revenue Sources Book and supporting data/models.

Key Assumptions: All assumptions are as of the Fall 2015 Revenue Sources Book. Also see notes and comments embedded in the spreadsheet.

History: This version incorporates the Fall 2015 forecast numbers and, based on updated analysis, includes slight revisions to the geographic location of refunded credits in FY 2009 through FY 2012.

Disclaimer: The Department of Revenue is in the process of reviewing and updating the data on which this analysis is based. As a result, future analysis could have different results.

Table 8-4: Detail on Historical Production Tax Credits and Forecast

(\$millions)	Historical								Preliminary	Forecast ²									
	FY 07	FY 08	FY 09	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15 ¹	FY 16	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25
Refunded Credits³																			
North Slope																			
Qualified capital expenditure, AS 43.55.023(a); Carry-forward annual loss, AS 43.55.023(b)	55	*	173	223	399	267	*	*	203	224	360	199	89	50	50	50	50	50	50
Credits under AS 43.55.025 ⁴	0	*	14	23	12	53	*	*	21	0	0	0	0	0	0	0	0	0	0
Total North Slope	55	53	187	246	411	320	261	281	224	224	360	199	89	50	50	50	50	50	50
Non-North Slope																			
Qualified capital expenditure, AS 43.55.023(a); Carry-forward annual loss, AS 43.55.023(b); Well lease expenditure, AS 43.55.023(l)	0	*	*	*	*	29	*	*	384	268	210	136	125	166	167	197	198	198	199
Credits under AS 43.55.025 ⁴	0	*	*	*	*	4	*	*	21	8	8	7	5	4	3	3	2	2	1
Credits under AS 43.20 ⁵	0	*	*	*	*	0	*	15	0	0	45	30	30	30	30	0	0	0	0
Total Non-North Slope	0	1	7	4	39	33	108	312	404	276	263	173	161	200	200	200	200	200	200
Total Refunded Credits	55	54	193	250	450	353	369	592	628	500	625	375	250	250	250	250	250	250	250
Credits Used Against Tax Liability^{6,7}																			
North Slope																			
Qualified capital expenditure, AS 43.55.023(a); Carry-forward annual loss, AS 43.55.023(b)	292	219	279	339	313	306	486	332	0	40	52	1	0	0	0	0	0	0	0
Transitional investment expenditure: AS 43.55.023(i) ⁸	171	73	0	0	0	*	*	*	595										
Per taxable barrel credit, AS 43.55.024(i)-(j) ⁹								516	595	28	189	367	614	625	703	671	613	584	543
Small producer credit, AS 43.55.024(a)(c)	*	*	*	*	*	*	*	*	*	37	43	37	48	42	36	27	19	5	0
Credits under AS 43.55.025 ⁴	*	*	*	*	*	*	*	*	*	0	0	0	0	0	0	0	0	0	0
Total North Slope	541	368	328	402	345	347	536	907	655	105	284	405	662	666	739	698	632	589	543
Non-North Slope																			
Qualified capital expenditure, AS 43.55.023(a); Carry-forward annual loss, AS 43.55.023(b); Well lease expenditure, AS 43.55.023(l)	*	*	0	*	11	*	*	*	*	17	23	23	23	22	22	21	20	30	34
Small producer credit, AS 43.55.024(a)(c)	*	*	6	*	6	*	*	*	*	0	0	0	0	0	0	0	3	6	6
Total Non-North Slope	16	10	6	10	17	16	14	12	9	17	23	23	23	22	22	21	23	36	40
Total Credits Used Against Tax Liability	557¹⁰	378	334	412	361	363	550	919	664	120	310	430	690	690	760	720	660	630	580
Total Credits North Slope	596	421	*	647	756	667	797	1188	879	329	644	604	752	716	789	748	682	639	593
Total Credits Non-North Slope	16	11	*	14	56	49	122	323	413	292	286	196	184	222	222	221	223	236	240
Total Statewide Production Tax Credits	\$612	\$432	\$526	\$662	\$811	\$716	\$918	\$1,511	\$1,292	\$620	\$935	\$805	\$940	\$940	\$1,010	\$970	\$910	\$880	\$830

Source: Fall 2015 Revenue Sources Book Backup

* An asterisk indicates that the data is confidential.

¹ These numbers are preliminary pending Annual Returns.

² Forecasted refunded credits are rounded to the nearest \$5 million. Forecasted credits against liability are rounded to the nearest \$10 million.

³ Forecasted refunded credits in the near-term are based on known projects and company activities. For FY 2020 and beyond, the forecast of credits available for refund is held constant at \$250 million per year.

⁴ Credits under AS 43.55.025 include the Alternative Credit for Exploration, the Frontier Basin Credit, and for Cook Inlet only the the Cook Inlet Jack-up Rig Credit.

⁵ Credits under AS 43.20 include the Gas Exploration and Development Credit, Gas Storage Facility Credit, the In-State Gas Refinery Credit, and the LNG Storage Facility Credit.

⁶ The Education Credit, AS 43.55.019, though not reported in its own credit category in the summary was less than \$1 million in each year reported and is calculated in the total.

⁷ For historical credits against tax liability, geographic location was determined by attributing all .023(l) credits to Non-North Slope, all .025 Credits to North Slope, and the other credits were placed according to where the company primarily operated. Since multiple companies had operations in multiple areas, these numbers should be treated as rough estimates.

⁸ The Transitional Investment Expenditure Credit sunset on Dec 31, 2013.

⁹ For FY 2014, the Per Taxable Barrel Credit is for only the last six months of the fiscal year. Credits applied against liability in the forecast are reduced because of the 4% minimum gross tax.

¹⁰ Three months of 2006 credits data are included in the FY 2007 credits used against tax liability number.