# Alaska State Legislature

**Co-Chair Benjamin Nageak**
State Capitol, Room 126
Juneau, AK 99801
Phone: (907) 465-3473
Fax: (907) 465-2827

**Co-Chair Dave Talerico**
State Capitol, Room 104
Juneau, AK 99801
Phone: (907) 465-4922
Fax: (907) 465-2197

**Rep. Mike Hawker, Vice Chair**
Rep. Bob Herron
Rep. Andy Josephson
Rep. Craig Johnson
Rep. Kurt Olson
Rep. Paul Seaton
Rep. Geran Tarr

# House Resources Committee

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## Summary of Changes

### From HB 247 to CS HB 247 (RES) Work Draft \P

- For the North Slope, maintain the existing fiscal system put in place in 2013. Do not make changes at this time to the gross minimum tax or to the tax floor.

- Prevent the use of a gross value reduction for new oil from increasing the size of a loss.

- Statewide, the state can reimburse each eligible company, per year, a maximum of $200 million from the Oil and Gas Tax Credit Fund.

- For Cook Inlet and Middle Earth, reduce the 40% Well Lease Expenditure credit to 30% in 2017 and to 20% in 2018.

- For Cook Inlet and Middle Earth, reduce the 25% Net Operating Loss credit to 10%, effective Jan. 1, 2017. Maintain current transferability and refundability options (subject to the annual cap).

- Maintain the current interest rate on delinquent taxes at 3 points above the Federal Reserve Discount Rate. Change from simple interest to interest compounding quarterly.

- Ensure municipal entities who are oil and gas producers eligible for credits only in proportion to production that is subject to production taxes. Lease expenditures would be similarly proportioned to taxable production.

- In case of a company with outstanding liability to the state related to oil and gas activities, allow the Department of Revenue to withhold the amount of the liability from any repurchase of a credit certificate. Applicant may authorize the payment of its liability out of the amount withheld.

- For Cook Inlet, create a legislative working group to develop system reform for evaluation by the full legislature in 2017.