



29-GH2609\P.4  
Shutts  
3/19/16

AMENDMENT # 17

OFFERED IN THE HOUSE

BY REPRESENTATIVE JOSEPHSON

TO: CSHB 247(RES), Draft Version "P"

- 1 Page 3, line 10:
- 2 Delete "three"
- 3 Insert "**five** [THREE]"

**AMENDMENT** #18

OFFERED IN THE HOUSE

BY REPRESENTATIVE JOSEPHSON

TO: CSHB 247(RES), Draft Version "P"

1 Page 5, line 8:

2 Delete "A"

3 Insert "**Subject to the limitation in (q) of this section, a [A]**"

4

5 Page 7, line 23:

6 Delete "A"

7 Insert "**Subject to the limitation in (q) of this section, a [A]**"

8

9 Page 8, following line 16:

10 Insert a new bill section to read:

11 **"\* Sec. 16.** AS 43.55.023 is amended by adding a new subsection to read:

12 (q) For a calendar year starting on or after January 1, 2017, to qualify for a  
13 credit under this section, a producer or explorer shall, by July 1 of the year before the  
14 credit is expected to be claimed, submit to the commissioner the total amount of  
15 expenditures expected to be claimed in the next calendar year. To receive a credit after  
16 January 1, 2017, the commissioner shall approve the amount under this subsection.  
17 The commissioner, in consultation with the commissioner of natural resources, may  
18 not approve an amount under this subsection unless the credit is necessary to make the  
19 activity of the producer or explorer economically feasible. This subsection does not  
20 apply to a credit under (b) of this section."

21

22 Renumber the following bill sections accordingly.

23

1 Page 18, line 20:

2 Delete "16, and 17"

3 Insert "17, and 18"

4

5 Page 18, lines 25 - 26:

6 Delete "sec. 29"

7 Insert "sec. 30"

8

9 Page 18, line 27:

10 Delete "18, 23, and 24"

11 Insert "19, 24, and 25"

12

13 Page 18, line 28:

14 Delete "sec. 29"

15 Insert "sec. 30"

16

17 Page 18, line 31:

18 Delete "sec. 29"

19 Insert "sec. 30"

20

21 Page 19, line 2:

22 Delete "sec. 29"

23 Insert "sec. 30"

24

25 Page 19, line 5:

26 Delete "sec. 29"

27 Insert "sec. 30"

28

29 Page 19, line 8:

30 Delete "sec. 29"

31 Insert "sec. 30"

1

2 Page 19, line 10:

3 Delete "sec. 29"

4 Insert "sec. 30"

5

6 Page 19, line 14:

7 Delete "sec. 21"

8 Insert "sec. 22"

9

10 Page 19, line 15:

11 Delete "sec. 29"

12 Insert "sec. 30"

13

14 Page 19, line 17:

15 Delete "sec. 29"

16 Insert "sec. 30"

17

18 Page 20, line 12:

19 Delete "Sections 30 and 34"

20 Insert "Sections 31 and 35"

21

22 Page 20, line 13:

23 Delete "18 - 25, 27, 29, 32, and 33"

24 Insert "19 - 26, 28, 30, 33, and 34"

25

26 Page 20, line 15:

27 Delete "secs. 36 and 37"

28 Insert "secs. 37 and 38"



29-GH2609\P.49  
Shutts  
3/21/16

**AMENDMENT** #19

OFFERED IN THE HOUSE

BY REPRESENTATIVE JOSEPHSON

TO: CSHB 247(RES), Draft Version "P"

- 1 Page 8, line 23:
- 2 Delete "\$200,000,000"
- 3 Insert "\$75,000,000"
- 4
- 5 Page 8, line 23, following "person":
- 6 Insert "for each lease"
- 7
- 8 Page 8, line 31:
- 9 Delete "\$200,000,000"
- 10 Insert "\$75,000,000"

AMENDMENT #20

OFFERED IN THE HOUSE

BY REPRESENTATIVE TARR

TO: CSHB 247(RES), Draft Version "P"

- 1 Page 8, line 23:
- 2 Delete "\$200,000,000"
- 3 Insert "\$100,000,000"
- 4
- 5 Page 8, line 31:
- 6 Delete "\$200,000,000"
- 7 Insert "\$100,000,000"

AMENDMENT #21

OFFERED IN THE HOUSE

BY REPRESENTATIVE JOSEPHSON

TO: CSHB 247(RES), Draft Version "P"

1 Page 3, line 19, following "AS 43.55.028(e)":

2 Insert "and (j)"

3

4 Page 3, line 31, following "AS 43.55.028(e)":

5 Insert "and (j)"

6

7 Page 4, line 12, following "AS 43.55.028(e)":

8 Insert "and (j)"

9

10 Page 8, line 24, following "year":

11 Insert "; the amount by which a person has received a payment or refund claimed  
12 under AS 43.20.046, 43.20.047, or 43.20.053 counts toward the \$200,000,000 limitation"

13

14 Page 9, line 21, following "owed.":

15 Insert "In this subsection, "outstanding liability" means the amount of the tax, interest,  
16 penalty, fee, rental, royalty, or other charge for which the state has issued a demand for  
17 payment that has not been paid when due and, if contested, has not been finally resolved  
18 against the state."

**AMENDMENT** #22

OFFERED IN THE HOUSE

BY REPRESENTATIVE TARR

TO: CSHB 247(RES), Draft Version "P"

1 Page 7, line 14:

2 Delete "**and (b) - (d)** [(a) - (d)] of this section"

3 Insert "**, (b) - (d)** [(a) - (d)] of this section, **and AS 43.55.028(e)**"

4

5 Page 7, line 20, following "credit":

6 Insert "**and may not be applied to reduce a transferee's total tax liability under**  
7 **AS 43.55.011(e) by more than \$100,000,000 in a calendar year**"

8

9 Page 8, following line 16:

10 Insert a new bill section to read:

11 "**\* Sec. 16.** AS 43.55.025(h) is amended to read:

12 (h) **Subject to the limitations in AS 43.55.028(e), a** [A] producer that  
13 purchases a production tax credit certificate may apply the credits against its  
14 production tax levied by AS 43.55.011(e) **for up to \$100,000,000 of its production**  
15 **tax liability in a calendar year.** Regardless of the price the producer paid for the  
16 certificate, the producer may receive a credit against its production tax liability for the  
17 full amount of the credit, but for not more than the amount for which the certificate is  
18 issued. A production tax credit allowed under this section may not be applied more  
19 than once."

20

21 Renumber the following bill sections accordingly.

22

23 Page 8, line 23:



1 Delete "\$200,000,000"

2 Insert "\$100,000,000"

3

4 Page 8, line 24, following "year":

5 Insert ". The amount by which a person has reduced the person's production tax  
6 liability under AS 43.55.011(e) by using transferable tax credit certificates counts  
7 toward the \$100,000,000 limitation"

8

9 Page 8, line 31:

10 Delete "\$200,000,000"

11 Insert "\$100,000,000"

12

13 Page 18, line 20:

14 Delete "16, and 17"

15 Insert "17, and 18"

16

17 Page 18, lines 25 - 26:

18 Delete "sec. 29"

19 Insert "sec. 30"

20

21 Page 18, line 27:

22 Delete "18, 23, and 24"

23 Insert "19, 24, and 25"

24

25 Page 18, line 28:

26 Delete "sec. 29"

27 Insert "sec. 30"

28

29 Page 18, line 31:

30 Delete "sec. 29"

31 Insert "sec. 30"

1

2 Page 19, line 2:

3 Delete "sec. 29"

4 Insert "sec. 30"

5

6 Page 19, line 5:

7 Delete "sec. 29"

8 Insert "sec. 30"

9

10 Page 19, line 8:

11 Delete "sec. 29"

12 Insert "sec. 30"

13

14 Page 19, line 10:

15 Delete "sec. 29"

16 Insert "sec. 30"

17

18 Page 19, line 14:

19 Delete "sec. 21"

20 Insert "sec. 22"

21

22 Page 19, line 15:

23 Delete "sec. 29"

24 Insert "sec. 30"

25

26 Page 19, line 17:

27 Delete "sec. 29"

28 Insert "sec. 30"

29

30 Page 20, line 12:

31 Delete "Sections 30 and 34"

- 1           Insert "Sections 31 and 35"
- 2
- 3   Page 20, line 13:
- 4           Delete "18 - 25, 27, 29, 32, and 33"
- 5           Insert "19 - 26, 28, 30, 33, and 34"
- 6
- 7   Page 20, line 15:
- 8           Delete "secs. 36 and 37"
- 9           Insert "secs. 37 and 38"

~~#23~~

29-GH2609\P.23  
Shutts  
3/20/16

AMENDMENT #23

OFFERED IN THE HOUSE

BY REPRESENTATIVE JOSEPHSON

TO: CSHB 247(RES), Draft Version "P"

1 Page 8, line 23:

2 Delete "\$200,000,000"

3 Insert "\$75,000,000"

4

5 Page 8, line 23, following "person":

6 Insert "for each lease"

7

8 Page 8, line 31:

9 Delete "\$200,000,000"

10 Insert "\$75,000,000"

11

12 Page 9, line 8:

13 Delete "and"

14

15 Page 9, line 9, following "(5)":

16 Insert "during the calendar year preceding the calendar year in which the  
17 application is made, the applicant's revenue generated from the applicant's oil and gas  
18 business, including the revenue of the applicant's affiliates if the applicant is part of an  
19 affiliated group, did not exceed \$10,000,000,000; and

20 (6)"

AMENDMENT #24

OFFERED IN THE HOUSE

BY REPRESENTATIVE TARR

TO: CSHB 247(RES), Draft Version "P"

- 1 Page 18, line 9, following "legislators":
- 2 Insert "and must include members of the majority and minority caucuses"

AMENDMENT #25

OFFERED IN THE HOUSE

BY REPRESENTATIVE JOSEPHSON

TO: CSHB 247(RES), Draft Version "P"

1 Page 6, line 12, following "loss.":

2 Insert "To be eligible for a production tax credit authorized under this subsection,  
3 a producer or explorer shall comply with regulations adopted under (q) of this section."  
4

5 Page 8, following line 16:

6 Insert a new bill section to read:

7 "\* **Sec. 16.** AS 43.55.023 is amended by adding a new subsection to read:

8 (q) To qualify for a credit under (b) of this section, the department shall adopt  
9 regulations requiring a producer or explorer to provide information related to the  
10 expenditure that generated the carried-forward annual loss. The regulations adopted  
11 by the department under this subsection shall, if applicable and the information has not  
12 previously been provided, require a producer or explorer to submit the information  
13 that would have been required under AS 43.55.025(c)(2), (f)(2), (j), (k), (m), or (n),  
14 had the carry-forward loss been generated because of an activity described in those  
15 subsections."  
16

17 Renumber the following bill sections accordingly.  
18

19 Page 18, line 20:

20 Delete "16, and 17"

21 Insert "17, and 18"  
22

23 Page 18, lines 25 - 26:

1 Delete "sec. 29"

2 Insert "sec. 30"

3

4 Page 18, line 27:

5 Delete "18, 23, and 24"

6 Insert "19, 24, and 25"

7

8 Page 18, line 28:

9 Delete "sec. 29"

10 Insert "sec. 30"

11

12 Page 18, line 31:

13 Delete "sec. 29"

14 Insert "sec. 30"

15

16 Page 19, line 2:

17 Delete "sec. 29"

18 Insert "sec. 30"

19

20 Page 19, line 5:

21 Delete "sec. 29"

22 Insert "sec. 30"

23

24 Page 19, line 8:

25 Delete "sec. 29"

26 Insert "sec. 30"

27

28 Page 19, line 10:

29 Delete "sec. 29"

30 Insert "sec. 30"

31

- 1 Page 19, line 14:
- 2 Delete "sec. 21"
- 3 Insert "sec. 22"
- 4
- 5 Page 19, line 15:
- 6 Delete "sec. 29"
- 7 Insert "sec. 30"
- 8
- 9 Page 19, line 17:
- 10 Delete "sec. 29"
- 11 Insert "sec. 30"
- 12
- 13 Page 20, line 12:
- 14 Delete "Sections 30 and 34"
- 15 Insert "Sections 31 and 35"
- 16
- 17 Page 20, line 13:
- 18 Delete "18 - 25, 27, 29, 32, and 33"
- 19 Insert "19 - 26, 28, 30, 33, and 34"
- 20
- 21 Page 20, line 15:
- 22 Delete "secs. 36 and 37"
- 23 Insert "secs. 37 and 38"



AMENDMENT #26

OFFERED IN THE HOUSE

BY REPRESENTATIVE TARR

TO: CSHB 247(RES), Draft Version "P"

1 Page 1, line 1, following "Act":

2 Insert "relating to confidential information status and public record status of  
3 information in the possession of the Department of Revenue;"  
4

5 Page 2, following line 31:

6 Insert a new bill section to read:

7 **"\* Sec. 6.** AS 40.25.100(a) is amended to read:

8 (a) Information in the possession of the Department of Revenue that discloses  
9 the particulars of the business or affairs of a taxpayer or other person, including  
10 information under AS 38.05.020(b)(11) that is subject to a confidentiality agreement  
11 under AS 38.05.020(b)(12), is not a matter of public record, except as provided in  
12 AS 43.05.230(i) - (l) [AS 43.05.230(i) OR (k)] or for purposes of investigation and  
13 law enforcement. The information shall be kept confidential except when its  
14 production is required in an official investigation, administrative adjudication under  
15 AS 43.05.405 - 43.05.499, or court proceeding. These restrictions do not prohibit the  
16 publication of statistics presented in a manner that prevents the identification of  
17 particular reports and items, prohibit the publication of tax lists showing the names of  
18 taxpayers who are delinquent and relevant information that may assist in the collection  
19 of delinquent taxes, or prohibit the publication of records, proceedings, and decisions  
20 under AS 43.05.405 - 43.05.499."  
21

22 Renumber the following bill sections accordingly.  
23

1 Page 3, following line 17:

2 Insert a new bill section to read:

3 **"\* Sec. 8.** AS 43.05.230 is amended by adding a new subsection to read:

4 (I) The following information for persons claiming a credit under AS 43.55 is  
5 public:

6 (1) the name of each person claiming a credit under AS 43.55;

7 (2) the aggregate amount of credits under AS 43.55 claimed by the  
8 taxpayer in the calendar year, except for the credit in AS 43.55.024(j); and

9 (3) a description of the taxpayer's activities that generated the credits  
10 claimed under AS 43.55."

11

12 Renumber the following bill sections accordingly.

13

14 Page 18, line 20:

15 Delete "Sections 7 - 9, 16, and 17"

16 Insert "Sections 9 - 11, 18, and 19"

17

18 Page 18, lines 25 - 26:

19 Delete "sec. 29"

20 Insert "sec. 31"

21

22 Page 18, line 27:

23 Delete "secs. 13, 14, 18, 23, and 24"

24 Insert "secs. 15, 16, 20, 25, and 26"

25

26 Page 18, line 28:

27 Delete "sec. 29"

28 Insert "sec. 31"

29

30 Page 18, line 31:

31 Delete "sec. 29"

1           Insert "sec. 31"  
2  
3    Page 19, line 2:  
4           Delete "sec. 29"  
5           Insert "sec. 31"  
6  
7    Page 19, line 5:  
8           Delete "sec. 29"  
9           Insert "sec. 31"  
10  
11   Page 19, line 8:  
12          Delete "sec. 29"  
13          Insert "sec. 31"  
14  
15   Page 19, line 10:  
16          Delete "sec. 29"  
17          Insert "sec. 31"  
18  
19   Page 19, line 14:  
20          Delete "sec. 21"  
21          Insert "sec. 23"  
22  
23   Page 19, line 15:  
24          Delete "sec. 29"  
25          Insert "sec. 31"  
26  
27   Page 19, line 17:  
28          Delete "sec. 29"  
29          Insert "sec. 31"  
30  
31   Page 20, line 12:

- 1 Delete "Sections 30 and 34"
- 2 Insert "Sections 32 and 36"
- 3
- 4 Page 20, line 13:
  - 5 Delete "Sections 13, 14, 18 - 25, 27, 29, 32, and 33"
  - 6 Insert "Sections 15, 16, 20 - 27, 29, 31, 34, and 35"
  - 7
- 8 Page 20, line 15:
  - 9 Delete "secs. 36 and 37"
  - 10 Insert "secs. 38 and 39"

AMENDMENT #27

OFFERED IN THE HOUSE

BY REPRESENTATIVE JOSEPHSON

TO: CSHB 247(RES), Draft Version "P"

1 Page 1, line 1, following "Act":

2 Insert "relating to confidential information status and public record status of  
3 information in the possession of the Department of Revenue;"  
4

5 Page 2, following line 31:

6 Insert a new bill section to read:

7 "\* Sec. 6. AS 40.25.100(a) is amended to read:

8 (a) Information in the possession of the Department of Revenue that discloses  
9 the particulars of the business or affairs of a taxpayer or other person, including  
10 information under AS 38.05.020(b)(11) that is subject to a confidentiality agreement  
11 under AS 38.05.020(b)(12), is not a matter of public record, except as provided in  
12 AS 43.05.230(i) - (l) [AS 43.05.230(i) OR (k)] or for purposes of investigation and  
13 law enforcement. The information shall be kept confidential except when its  
14 production is required in an official investigation, administrative adjudication under  
15 AS 43.05.405 - 43.05.499, or court proceeding. These restrictions do not prohibit the  
16 publication of statistics presented in a manner that prevents the identification of  
17 particular reports and items, prohibit the publication of tax lists showing the names of  
18 taxpayers who are delinquent and relevant information that may assist in the collection  
19 of delinquent taxes, or prohibit the publication of records, proceedings, and decisions  
20 under AS 43.05.405 - 43.05.499."

21

22 Renumber the following bill sections accordingly.

23

1 Page 3, following line 17:

2 Insert a new bill section to read:

3 **"\* Sec. 8.** AS 43.05.230 is amended by adding a new subsection to read:

4 (D) The following information for persons claiming a credit under AS 43.55 is  
5 public information:

6 (1) the name of each person claiming a credit under AS 43.55;

7 (2) the aggregate amount of credits under AS 43.55 claimed by the  
8 taxpayer in the calendar year, except for the credit in AS 43.55.024(j); and

9 (3) a description of the taxpayer's activities that generated the credits  
10 claimed under AS 43.55."  
11

12 Renumber the following bill sections accordingly.  
13

14 Page 18, line 20:

15 Delete "Sections 7 - 9, 16, and 17"

16 Insert "Sections 9 - 11, 18, and 19"  
17

18 Page 18, lines 25 - 26:

19 Delete "sec. 29"

20 Insert "sec. 31"  
21

22 Page 18, line 27:

23 Delete "secs. 13, 14, 18, 23, and 24"

24 Insert "secs. 15, 16, 20, 25, and 26"  
25

26 Page 18, line 28:

27 Delete "sec. 29"

28 Insert "sec. 31"  
29

30 Page 18, line 31:

31 Delete "sec. 29"

1           Insert "sec. 31"  
2  
3    Page 19, line 2:  
4           Delete "sec. 29"  
5           Insert "sec. 31"  
6  
7    Page 19, line 5:  
8           Delete "sec. 29"  
9           Insert "sec. 31"  
10  
11   Page 19, line 8:  
12          Delete "sec. 29"  
13          Insert "sec. 31"  
14  
15   Page 19, line 10:  
16          Delete "sec. 29"  
17          Insert "sec. 31"  
18  
19   Page 19, line 14:  
20          Delete "sec. 21"  
21          Insert "sec. 23"  
22  
23   Page 19, line 15:  
24          Delete "sec. 29"  
25          Insert "sec. 31"  
26  
27   Page 19, line 17:  
28          Delete "sec. 29"  
29          Insert "sec. 31"  
30  
31   Page 20, line 12:

- 1 Delete "Sections 30 and 34"
- 2 Insert "Sections 32 and 36"
- 3
- 4 Page 20, line 13:
- 5 Delete "Sections 13, 14, 18 - 25, 27, 29, 32, and 33"
- 6 Insert "Sections 15, 16, 20 - 27, 29, 31, 34, and 35"
- 7
- 8 Page 20, line 15:
- 9 Delete "secs. 36 and 37"
- 10 Insert "secs. 38 and 39"



AMENDMENT #28

OFFERED IN THE HOUSE

BY REPRESENTATIVE JOSEPHSON

TO: CSHB 247(RES), Draft Version "P"

1 Page 8, following line 16:

2 Insert a new bill section to read:

3 **\*\* Sec. 16.** AS 43.55.023 is amended by adding a new subsection to read:

4 (q) For the lease expenditures incurred toward a credit under this section, a  
5 producer or explorer shall

6 (1) agree, in writing, to the requirements that an explorer must agree to  
7 under AS 43.55.025(f)(2); and

8 (2) submit to the Department of Natural Resources all data that an  
9 explorer must submit under AS 43.55.025(f)(2)."

10

11 Renumber the following bill sections accordingly.

12

13 Page 18, line 20:

14 Delete "16, and 17"

15 Insert "17, and 18"

16

17 Page 18, lines 25 - 26:

18 Delete "sec. 29"

19 Insert "sec. 30"

20

21 Page 18, line 27:

22 Delete "18, 23, and 24"

23 Insert "19, 24, and 25"

1

2 Page 18, line 28:

3 Delete "sec. 29"

4 Insert "sec. 30"

5

6 Page 18, line 31:

7 Delete "sec. 29"

8 Insert "sec. 30"

9

10 Page 19, line 2:

11 Delete "sec. 29"

12 Insert "sec. 30"

13

14 Page 19, line 5:

15 Delete "sec. 29"

16 Insert "sec. 30"

17

18 Page 19, line 8:

19 Delete "sec. 29"

20 Insert "sec. 30"

21

22 Page 19, line 10:

23 Delete "sec. 29"

24 Insert "sec. 30"

25

26 Page 19, line 14:

27 Delete "sec. 21"

28 Insert "sec. 22"

29

30 Page 19, line 15:

31 Delete "sec. 29"

- 1           Insert "sec. 30"
- 2
- 3   Page 19, line 17:
- 4           Delete "sec. 29"
- 5           Insert "sec. 30"
- 6
- 7   Page 20, line 12:
- 8           Delete "Sections 30 and 34"
- 9           Insert "Sections 31 and 35"
- 10
- 11   Page 20, line 13:
- 12           Delete "18 - 25, 27, 29, 32, and 33"
- 13           Insert "19 - 26, 28, 30, 33, and 34"
- 14
- 15   Page 20, line 15:
- 16           Delete "secs. 36 and 37"
- 17           Insert "secs. 37 and 38"

**AMENDMENT** #29

OFFERED IN THE HOUSE

BY REPRESENTATIVE TARR

TO: CSHB 247(RES), Draft Version "P"

- 1 Page 9, line 21, following "owed.":
- 2       Insert "In this subsection, "outstanding liability" means an amount of tax, interest,
- 3 penalty, fee, rental, royalty, or other charge for which the state has issued a demand for
- 4 payment that has not been paid when due and, if contested, has not been finally resolved
- 5 against the state."

AMENDMENT #30

OFFERED IN THE HOUSE

BY REPRESENTATIVE TARR

TO: CSHB 247(RES), Draft Version "P"

1 Page 3, lines 22 - 24:

2 Delete ", [(1) THE CLAIMANT DOES NOT HAVE AN OUTSTANDING  
3 LIABILITY TO THE STATE FOR UNPAID DELINQUENT TAXES UNDER THIS  
4 TITLE; AND (2)]"

5 Insert "(1) the claimant does not have an outstanding liability to the state [FOR  
6 UNPAID DELINQUENT TAXES UNDER THIS TITLE]; and (2)"

7

8 Page 4, lines 3 - 5:

9 Delete ", [(1) THE CLAIMANT DOES NOT HAVE AN OUTSTANDING  
10 LIABILITY TO THE STATE FOR UNPAID DELINQUENT TAXES UNDER THIS  
11 TITLE; AND (2)]"

12 Insert "(1) the claimant does not have an outstanding liability to the state [FOR  
13 UNPAID DELINQUENT TAXES UNDER THIS TITLE]; and (2)"

14

15 Page 4, lines 15 - 17:

16 Delete ", [(1) THE CLAIMANT DOES NOT HAVE AN OUTSTANDING  
17 LIABILITY TO THE STATE FOR UNPAID DELINQUENT TAXES UNDER THIS  
18 TITLE; AND (2)]"

19 Insert "(1) the claimant does not have an outstanding liability to the state [FOR  
20 UNPAID DELINQUENT TAXES UNDER THIS TITLE]; and (2)"

21

22 Page 17, following line 6:

23 Insert a new bill section to read:

1     **\*\* Sec. 28.** AS 43.99.950 is amended by adding a new paragraph to read:

2                     (3) "outstanding liability to the state" means an amount of tax, interest,  
3             penalty, fee, rental, royalty, or other charge for which the state has issued a demand  
4             for payment that has not been paid when due and, if contested, has not been finally  
5             resolved against the state."  
6

7     Renumber the following bill sections accordingly.  
8

9     Page 18, lines 25 - 26:

10             Delete "sec. 29"

11             Insert "sec. 30"

12

13     Page 18, line 28:

14             Delete "sec. 29"

15             Insert "sec. 30"

16

17     Page 18, line 31:

18             Delete "sec. 29"

19             Insert "sec. 30"

20

21     Page 19, line 2:

22             Delete "sec. 29"

23             Insert "sec. 30"

24

25     Page 19, line 5:

26             Delete "sec. 29"

27             Insert "sec. 30"

28

29     Page 19, line 8:

30             Delete "sec. 29"

31             Insert "sec. 30"

1

2 Page 19, line 10:

3 Delete "sec. 29"

4 Insert "sec. 30"

5

6 Page 19, line 15:

7 Delete "sec. 29"

8 Insert "sec. 30"

9

10 Page 19, line 17:

11 Delete "sec. 29"

12 Insert "sec. 30"

13

14 Page 20, line 12:

15 Delete "Sections 30 and 34"

16 Insert "Sections 31 and 35"

17

18 Page 20, line 13:

19 Delete "29, 32, and 33"

20 Insert "30, 33, and 34"

21

22 Page 20, line 15:

23 Delete "secs. 36 and 37"

24 Insert "secs. 37 and 38"

**AMENDMENT** #31

OFFERED IN THE HOUSE

BY REPRESENTATIVE TARR

TO: CSHB 247(RES), Draft Version "P"

1 Page 4, following line 20:

2 Insert a new bill section to read:

3 **"\* Sec. 10.** AS 43.55.011(f) is amended to read:

4 (f) The levy of tax under (e) of this section for

5 (1) oil and gas produced before January 1, 2017 [JANUARY 1,  
6 2022], from leases or properties that include land north of 68 degrees North latitude,  
7 other than gas subject to (o) of this section, may not be less than

8 (A) four percent of the gross value at the point of production  
9 when the average price per barrel for Alaska North Slope crude oil for sale on  
10 the United States West Coast during the calendar year for which the tax is due  
11 is more than \$25;

12 (B) three percent of the gross value at the point of production  
13 when the average price per barrel for Alaska North Slope crude oil for sale on  
14 the United States West Coast during the calendar year for which the tax is due  
15 is over \$20 but not over \$25;

16 (C) two percent of the gross value at the point of production  
17 when the average price per barrel for Alaska North Slope crude oil for sale on  
18 the United States West Coast during the calendar year for which the tax is due  
19 is over \$17.50 but not over \$20;

20 (D) one percent of the gross value at the point of production  
21 when the average price per barrel for Alaska North Slope crude oil for sale on  
22 the United States West Coast during the calendar year for which the tax is due  
23 is over \$15 but not over \$17.50; or



(E) zero percent of the gross value at the point of production when the average price per barrel for Alaska North Slope crude oil for sale on the United States West Coast during the calendar year for which the tax is due is \$15 or less; [AND]

(2) oil and gas produced on and after January 1, 2017, and before January 1, 2022, from leases or properties that include land north of 68 degrees North latitude, other than gas subject to (o) of this section, may not be less than five percent of the gross value at the point of production; and

(3) oil produced on and after January 1, 2022, from leases or properties that include land north of 68 degrees North latitude may not be less than five percent of the gross value at the point of production

[(A) FOUR PERCENT OF THE GROSS VALUE AT THE POINT OF PRODUCTION WHEN THE AVERAGE PRICE PER BARREL FOR ALASKA NORTH SLOPE CRUDE OIL FOR SALE ON THE UNITED STATES WEST COAST DURING THE CALENDAR YEAR FOR WHICH THE TAX IS DUE IS MORE THAN \$25;

(B) THREE PERCENT OF THE GROSS VALUE AT THE POINT OF PRODUCTION WHEN THE AVERAGE PRICE PER BARREL FOR ALASKA NORTH SLOPE CRUDE OIL FOR SALE ON THE UNITED STATES WEST COAST DURING THE CALENDAR YEAR FOR WHICH THE TAX IS DUE IS OVER \$20 BUT NOT OVER \$25;

(C) TWO PERCENT OF THE GROSS VALUE AT THE POINT OF PRODUCTION WHEN THE AVERAGE PRICE PER BARREL FOR ALASKA NORTH SLOPE CRUDE OIL FOR SALE ON THE UNITED STATES WEST COAST DURING THE CALENDAR YEAR FOR WHICH THE TAX IS DUE IS OVER \$17.50 BUT NOT OVER \$20;

(D) ONE PERCENT OF THE GROSS VALUE AT THE POINT OF PRODUCTION WHEN THE AVERAGE PRICE PER BARREL FOR ALASKA NORTH SLOPE CRUDE OIL FOR SALE ON THE UNITED STATES WEST COAST DURING THE CALENDAR YEAR FOR WHICH THE TAX IS DUE IS OVER \$15 BUT NOT OVER \$17.50; OR

(E) ZERO PERCENT OF THE GROSS VALUE AT THE POINT OF PRODUCTION WHEN THE AVERAGE PRICE PER BARREL FOR ALASKA NORTH SLOPE CRUDE OIL FOR SALE ON THE UNITED STATES WEST COAST DURING THE CALENDAR YEAR FOR WHICH THE TAX IS DUE IS \$15 OR LESS]."

Renumber the following bill sections accordingly.

Page 5, following line 6:

Insert new bill sections to read:

"\* **Sec. 12.** AS 43.55.020(a) is amended to read:

(a) For a calendar year, a producer subject to tax under AS 43.55.011 shall pay the tax as follows:

(1) for oil and gas produced before January 1, 2014, an installment payment of the estimated tax levied by AS 43.55.011(e), net of any tax credits applied as allowed by law, is due for each month of the calendar year on the last day of the following month; except as otherwise provided under (2) of this subsection, the amount of the installment payment is the sum of the following amounts, less 1/12 of the tax credits that are allowed by law to be applied against the tax levied by AS 43.55.011(e) for the calendar year, but the amount of the installment payment may not be less than zero:

(A) for oil and gas not subject to AS 43.55.011(o) or (p) produced from leases or properties in the state outside the Cook Inlet sedimentary basin, other than leases or properties subject to AS 43.55.011(f), the greater of

(i) zero; or

(ii) the sum of 25 percent and the tax rate calculated for the month under AS 43.55.011(g) multiplied by the remainder obtained by subtracting 1/12 of the producer's adjusted lease expenditures for the calendar year of production under AS 43.55.165 and 43.55.170 that are deductible for the oil and gas under AS 43.55.160 from the gross value

1 at the point of production of the oil and gas produced from the leases or  
2 properties during the month for which the installment payment is  
3 calculated;

4 (B) for oil and gas produced from leases or properties subject  
5 to AS 43.55.011(f), the greatest of

6 (i) zero;

7 (ii) zero percent, one percent, two percent, three  
8 percent, or four percent, as applicable, of the gross value at the point of  
9 production of the oil and gas produced from the leases or properties  
10 during the month for which the installment payment is calculated; or

11 (iii) the sum of 25 percent and the tax rate calculated for  
12 the month under AS 43.55.011(g) multiplied by the remainder obtained  
13 by subtracting 1/12 of the producer's adjusted lease expenditures for the  
14 calendar year of production under AS 43.55.165 and 43.55.170 that are  
15 deductible for the oil and gas under AS 43.55.160 from the gross value  
16 at the point of production of the oil and gas produced from those leases  
17 or properties during the month for which the installment payment is  
18 calculated;

19 (C) for oil or gas subject to AS 43.55.011(j), (k), or (o), for  
20 each lease or property, the greater of

21 (i) zero; or

22 (ii) the sum of 25 percent and the tax rate calculated for  
23 the month under AS 43.55.011(g) multiplied by the remainder obtained  
24 by subtracting 1/12 of the producer's adjusted lease expenditures for the  
25 calendar year of production under AS 43.55.165 and 43.55.170 that are  
26 deductible under AS 43.55.160 for the oil or gas, respectively,  
27 produced from the lease or property from the gross value at the point of  
28 production of the oil or gas, respectively, produced from the lease or  
29 property during the month for which the installment payment is  
30 calculated;

31 (D) for oil and gas subject to AS 43.55.011(p), the lesser of

1 (i) the sum of 25 percent and the tax rate calculated for  
2 the month under AS 43.55.011(g) multiplied by the remainder obtained  
3 by subtracting 1/12 of the producer's adjusted lease expenditures for the  
4 calendar year of production under AS 43.55.165 and 43.55.170 that are  
5 deductible for the oil and gas under AS 43.55.160 from the gross value  
6 at the point of production of the oil and gas produced from the leases or  
7 properties during the month for which the installment payment is  
8 calculated, but not less than zero; or

9 (ii) four percent of the gross value at the point of  
10 production of the oil and gas produced from the leases or properties  
11 during the month, but not less than zero;

12 (2) an amount calculated under (1)(C) of this subsection for oil or gas  
13 subject to AS 43.55.011(j), (k), or (o) may not exceed the product obtained by  
14 carrying out the calculation set out in AS 43.55.011(j)(1) or (2) or 43.55.011(o), as  
15 applicable, for gas or set out in AS 43.55.011(k)(1) or (2), as applicable, for oil, but  
16 substituting in AS 43.55.011(j)(1)(A) or (2)(A) or 43.55.011(o), as applicable, the  
17 amount of taxable gas produced during the month for the amount of taxable gas  
18 produced during the calendar year and substituting in AS 43.55.011(k)(1)(A) or  
19 (2)(A), as applicable, the amount of taxable oil produced during the month for the  
20 amount of taxable oil produced during the calendar year;

21 (3) an installment payment of the estimated tax levied by  
22 AS 43.55.011(i) for each lease or property is due for each month of the calendar year  
23 on the last day of the following month; the amount of the installment payment is the  
24 sum of

25 (A) the applicable tax rate for oil provided under  
26 AS 43.55.011(i), multiplied by the gross value at the point of production of the  
27 oil taxable under AS 43.55.011(i) and produced from the lease or property  
28 during the month; and

29 (B) the applicable tax rate for gas provided under  
30 AS 43.55.011(i), multiplied by the gross value at the point of production of the  
31 gas taxable under AS 43.55.011(i) and produced from the lease or property

1 during the month;

2 (4) any amount of tax levied by AS 43.55.011, net of any credits  
3 applied as allowed by law, that exceeds the total of the amounts due as installment  
4 payments of estimated tax is due on March 31 of the year following the calendar year  
5 of production;

6 (5) for oil and gas produced on and after January 1, 2014, and before  
7 January 1, 2022, an installment payment of the estimated tax levied by  
8 AS 43.55.011(e), net of any tax credits applied as allowed by law, is due for each  
9 month of the calendar year on the last day of the following month; except as otherwise  
10 provided under (6) of this subsection, the amount of the installment payment is the  
11 sum of the following amounts, less 1/12 of the tax credits that are allowed by law to be  
12 applied against the tax levied by AS 43.55.011(e) for the calendar year, but the amount  
13 of the installment payment may not be less than zero:

14 (A) for oil and gas not subject to AS 43.55.011(o) or (p)  
15 produced from leases or properties in the state outside the Cook Inlet  
16 sedimentary basin, other than leases or properties subject to AS 43.55.011(f),  
17 the greater of

18 (i) zero; or

19 (ii) 35 percent multiplied by the remainder obtained by  
20 subtracting 1/12 of the producer's adjusted lease expenditures for the  
21 calendar year of production under AS 43.55.165 and 43.55.170 that are  
22 deductible for the oil and gas under AS 43.55.160 from the gross value  
23 at the point of production of the oil and gas produced from the leases or  
24 properties during the month for which the installment payment is  
25 calculated;

26 (B) for oil and gas produced from leases or properties subject  
27 to AS 43.55.011(f), the greatest of

28 (i) zero;

29 (ii) zero percent, one percent, two percent, three  
30 percent, [OR] four percent, or five percent, as applicable, of the gross  
31 value at the point of production of the oil and gas produced from the

1 leases or properties during the month for which the installment  
2 payment is calculated; or

3 (iii) 35 percent multiplied by the remainder obtained by  
4 subtracting 1/12 of the producer's adjusted lease expenditures for the  
5 calendar year of production under AS 43.55.165 and 43.55.170 that are  
6 deductible for the oil and gas under AS 43.55.160 from the gross value  
7 at the point of production of the oil and gas produced from those leases  
8 or properties during the month for which the installment payment is  
9 calculated, except that, for the purposes of this calculation, a reduction  
10 from the gross value at the point of production may apply for oil and  
11 gas subject to AS 43.55.160(f) or (g);

12 (C) for oil or gas subject to AS 43.55.011(j), (k), or (o), for  
13 each lease or property, the greater of

14 (i) zero; or

15 (ii) 35 percent multiplied by the remainder obtained by  
16 subtracting 1/12 of the producer's adjusted lease expenditures for the  
17 calendar year of production under AS 43.55.165 and 43.55.170 that are  
18 deductible under AS 43.55.160 for the oil or gas, respectively,  
19 produced from the lease or property from the gross value at the point of  
20 production of the oil or gas, respectively, produced from the lease or  
21 property during the month for which the installment payment is  
22 calculated;

23 (D) for oil and gas subject to AS 43.55.011(p), the lesser of

24 (i) 35 percent multiplied by the remainder obtained by  
25 subtracting 1/12 of the producer's adjusted lease expenditures for the  
26 calendar year of production under AS 43.55.165 and 43.55.170 that are  
27 deductible for the oil and gas under AS 43.55.160 from the gross value  
28 at the point of production of the oil and gas produced from the leases or  
29 properties during the month for which the installment payment is  
30 calculated, but not less than zero; or

31 (ii) four percent of the gross value at the point of

1 production of the oil and gas produced from the leases or properties  
 2 during the month, but not less than zero;

3 (6) an amount calculated under (5)(C) of this subsection for oil or gas  
 4 subject to AS 43.55.011(j), (k), or (o) may not exceed the product obtained by  
 5 carrying out the calculation set out in AS 43.55.011(j)(1) or (2) or 43.55.011(o), as  
 6 applicable, for gas or set out in AS 43.55.011(k)(1) or (2), as applicable, for oil, but  
 7 substituting in AS 43.55.011(j)(1)(A) or (2)(A) or 43.55.011(o), as applicable, the  
 8 amount of taxable gas produced during the month for the amount of taxable gas  
 9 produced during the calendar year and substituting in AS 43.55.011(k)(1)(A) or  
 10 (2)(A), as applicable, the amount of taxable oil produced during the month for the  
 11 amount of taxable oil produced during the calendar year;

12 (7) for oil and gas produced on or after January 1, 2022, an installment  
 13 payment of the estimated tax levied by AS 43.55.011(e), net of any tax credits applied  
 14 as allowed by law, is due for each month of the calendar year on the last day of the  
 15 following month; the amount of the installment payment is the sum of the following  
 16 amounts, less 1/12 of the tax credits that are allowed by law to be applied against the  
 17 tax levied by AS 43.55.011(e) for the calendar year, but the amount of the installment  
 18 payment may not be less than zero:

19 (A) for oil produced from leases or properties that include land  
 20 north of 68 degrees North latitude, the greatest of

21 (i) zero;

22 (ii) five [ZERO PERCENT, ONE PERCENT, TWO  
 23 PERCENT, THREE PERCENT, OR FOUR] percent [, AS  
 24 APPLICABLE,] of the gross value at the point of production of the oil  
 25 produced from the leases or properties during the month for which the  
 26 installment payment is calculated; or

27 (iii) 35 percent multiplied by the remainder obtained by  
 28 subtracting 1/12 of the producer's adjusted lease expenditures for the  
 29 calendar year of production under AS 43.55.165 and 43.55.170 that are  
 30 deductible for the oil under AS 43.55.160(h)(1) from the gross value at  
 31 the point of production of the oil produced from those leases or

1 properties during the month for which the installment payment is  
2 calculated, except that, for the purposes of this calculation, a reduction  
3 from the gross value at the point of production may apply for oil  
4 subject to AS 43.55.160(f) or 43.55.160(f) and (g);

5 (B) for oil produced before or during the last calendar year  
6 under AS 43.55.024(b) for which the producer could take a tax credit under  
7 AS 43.55.024(a), from leases or properties in the state outside the Cook Inlet  
8 sedimentary basin, no part of which is north of 68 degrees North latitude, other  
9 than leases or properties subject to AS 43.55.011(p), the greater of

10 (i) zero; or

11 (ii) 35 percent multiplied by the remainder obtained by  
12 subtracting 1/12 of the producer's adjusted lease expenditures for the  
13 calendar year of production under AS 43.55.165 and 43.55.170 that are  
14 deductible for the oil under AS 43.55.160(h)(2) from the gross value at  
15 the point of production of the oil produced from the leases or properties  
16 during the month for which the installment payment is calculated;

17 (C) for oil and gas produced from leases or properties subject  
18 to AS 43.55.011(p), except as otherwise provided under (8) of this subsection,  
19 the sum of

20 (i) 35 percent multiplied by the remainder obtained by  
21 subtracting 1/12 of the producer's adjusted lease expenditures for the  
22 calendar year of production under AS 43.55.165 and 43.55.170 that are  
23 deductible for the oil under AS 43.55.160(h)(3) from the gross value at  
24 the point of production of the oil produced from the leases or properties  
25 during the month for which the installment payment is calculated, but  
26 not less than zero; and

27 (ii) 13 percent of the gross value at the point of  
28 production of the gas produced from the leases or properties during the  
29 month, but not less than zero;

30 (D) for oil produced from leases or properties in the state, no  
31 part of which is north of 68 degrees North latitude, other than leases or



properties subject to (B) or (C) of this paragraph, the greater of

(i) zero; or

(ii) 35 percent multiplied by the remainder obtained by subtracting 1/12 of the producer's adjusted lease expenditures for the calendar year of production under AS 43.55.165 and 43.55.170 that are deductible for the oil under AS 43.55.160(h)(4) from the gross value at the point of production of the oil produced from the leases or properties during the month for which the installment payment is calculated;

(E) for gas produced from each lease or property in the state, other than a lease or property subject to AS 43.55.011(p), 13 percent of the gross value at the point of production of the gas produced from the lease or property during the month for which the installment payment is calculated, but not less than zero;

(8) an amount calculated under (7)(C) of this subsection may not exceed four percent of the gross value at the point of production of the oil and gas produced from leases or properties subject to AS 43.55.011(p) during the month for which the installment payment is calculated;

(9) for purposes of the calculation under (1)(B)(ii), (5)(B)(ii), and (7)(A)(ii) of this subsection, the applicable percentage of the gross value at the point of production is determined under AS 43.55.011(f) [AS 43.55.011(f)(1) OR (2)] but substituting the phrase "month for which the installment payment is calculated" in AS 43.55.011(f) [AS 43.55.011(f)(1) AND (2)] for the phrase "calendar year for which the tax is due."

\* **Sec. 13.** AS 43.55.020(i) is amended to read:

(i) Notwithstanding any contrary provision of AS 43.05.225 or (g) or (h) of this section, if the amount of a tax payment, including an installment payment, due under (a)(1) - (5) [(4)] of this section is affected by the retroactive application of a regulation adopted under this chapter, the department shall determine whether the retroactive application of the regulation caused an underpayment or an overpayment of the amount due and adjust the interest due on the affected payment as follows:

(1) if an underpayment of the amount due occurred, the department

1 shall waive interest that would otherwise accrue for the underpayment before the first  
 2 day of the second month following the month in which the regulation became  
 3 effective, if

4 (A) the department determines that the producer's  
 5 underpayment resulted because the regulation was not in effect when the  
 6 payment was due; and

7 (B) the producer demonstrates that it made a good faith  
 8 estimate of its tax obligation in light of the regulations then in effect when the  
 9 payment was due and paid the estimated tax;

10 (2) if an overpayment of the amount due occurred and the department  
 11 determines that the producer's overpayment resulted because the regulation was not in  
 12 effect when the payment was due, the obligation for a refund for the overpayment does  
 13 not begin to accrue interest earlier than the following, as applicable:

14 (A) except as otherwise provided under (B) of this paragraph,  
 15 the first day of the second month following the month in which the regulation  
 16 became effective;

17 (B) 90 days after an amended statement under AS 43.55.030(a)  
 18 and an application to request a refund of production tax paid is filed, if the  
 19 overpayment was for a period for which an amended statement under  
 20 AS 43.55.030(a) was required to be filed before the regulation became  
 21 effective."  
 22

23 Renumber the following bill sections accordingly.  
 24

25 Page 18, line 20:

26 Delete "16, and 17"

27 Insert "19, and 20"

28  
 29 Page 18, lines 25 - 26:

30 Delete "sec. 29"

31 Insert "sec. 32"

1  
2   Page 18, line 27:  
3       Delete "secs. 13, 14, 18, 23, and 24"  
4       Insert "secs. 16, 17, 21, 26, and 27"  
5  
6   Page 18, line 28:  
7       Delete "sec. 29"  
8       Insert "sec. 32"  
9  
10   Page 18, line 31:  
11       Delete "sec. 29"  
12       Insert "sec. 32"  
13  
14   Page 19, line 2:  
15       Delete "sec. 29"  
16       Insert "sec. 32"  
17  
18   Page 19, line 5:  
19       Delete "sec. 29"  
20       Insert "sec. 32"  
21  
22   Page 19, line 8:  
23       Delete "sec. 29"  
24       Insert "sec. 32"  
25  
26   Page 19, line 10:  
27       Delete "sec. 29"  
28       Insert "sec. 32"  
29  
30   Page 19, line 14:  
31       Delete "sec. 21"

- 1           Insert "sec. 24"
- 2
- 3   Page 19, line 15:
- 4           Delete "sec. 29"
- 5           Insert "sec. 32"
- 6
- 7   Page 19, line 17:
- 8           Delete "sec. 29"
- 9           Insert "sec. 32"
- 10
- 11   Page 20, line 12:
- 12           Delete "Sections 30 and 34"
- 13           Insert "Sections 33 and 37"
- 14
- 15   Page 20, line 13:
- 16           Delete "Sections 13, 14, 18 - 25, 27, 29, 32, and 33"
- 17           Insert "Sections 16, 17, 21 - 28, 30, 32, 35, and 36"
- 18
- 19   Page 20, line 15:
- 20           Delete "secs. 36 and 37"
- 21           Insert "secs. 39 and 40"

AMENDMENT #32

OFFERED IN THE HOUSE

BY REPRESENTATIVE JOSEPHSON

TO: CSHB 247(RES), Draft Version "P"

1 Page 4, following line 20:

2 Insert a new bill section to read:

3 **\*\* Sec. 10.** AS 43.55.011(f) is amended to read:

4 (f) The levy of tax under (e) of this section for

5 (1) oil and gas produced before January 1, 2017 [JANUARY 1,  
6 2022], from leases or properties that include land north of 68 degrees North latitude,  
7 other than gas subject to (o) of this section, may not be less than

8 (A) four percent of the gross value at the point of production  
9 when the average price per barrel for Alaska North Slope crude oil for sale on  
10 the United States West Coast during the calendar year for which the tax is due  
11 is more than \$25;

12 (B) three percent of the gross value at the point of production  
13 when the average price per barrel for Alaska North Slope crude oil for sale on  
14 the United States West Coast during the calendar year for which the tax is due  
15 is over \$20 but not over \$25;

16 (C) two percent of the gross value at the point of production  
17 when the average price per barrel for Alaska North Slope crude oil for sale on  
18 the United States West Coast during the calendar year for which the tax is due  
19 is over \$17.50 but not over \$20;

20 (D) one percent of the gross value at the point of production  
21 when the average price per barrel for Alaska North Slope crude oil for sale on  
22 the United States West Coast during the calendar year for which the tax is due  
23 is over \$15 but not over \$17.50; or

1 (E) zero percent of the gross value at the point of production  
2 when the average price per barrel for Alaska North Slope crude oil for sale on  
3 the United States West Coast during the calendar year for which the tax is due  
4 is \$15 or less; [AND]

5 (2) oil **and gas** produced on and after **January 1, 2017, and before**  
6 January 1, 2022, from leases or properties that include land north of 68 degrees North  
7 latitude, **other than gas subject to (o) of this section**, may not be less than **five**  
8 **percent of the gross value at the point of production; and**

9 **(3) oil produced on and after January 1, 2022, from leases or**  
10 **properties that include land north of 68 degrees North latitude may not be less**  
11 **than five percent of the gross value at the point of production**

12 [(A) FOUR PERCENT OF THE GROSS VALUE AT THE  
13 POINT OF PRODUCTION WHEN THE AVERAGE PRICE PER BARREL  
14 FOR ALASKA NORTH SLOPE CRUDE OIL FOR SALE ON THE UNITED  
15 STATES WEST COAST DURING THE CALENDAR YEAR FOR WHICH  
16 THE TAX IS DUE IS MORE THAN \$25;

17 (B) THREE PERCENT OF THE GROSS VALUE AT THE  
18 POINT OF PRODUCTION WHEN THE AVERAGE PRICE PER BARREL  
19 FOR ALASKA NORTH SLOPE CRUDE OIL FOR SALE ON THE UNITED  
20 STATES WEST COAST DURING THE CALENDAR YEAR FOR WHICH  
21 THE TAX IS DUE IS OVER \$20 BUT NOT OVER \$25;

22 (C) TWO PERCENT OF THE GROSS VALUE AT THE  
23 POINT OF PRODUCTION WHEN THE AVERAGE PRICE PER BARREL  
24 FOR ALASKA NORTH SLOPE CRUDE OIL FOR SALE ON THE UNITED  
25 STATES WEST COAST DURING THE CALENDAR YEAR FOR WHICH  
26 THE TAX IS DUE IS OVER \$17.50 BUT NOT OVER \$20;

27 (D) ONE PERCENT OF THE GROSS VALUE AT THE  
28 POINT OF PRODUCTION WHEN THE AVERAGE PRICE PER BARREL  
29 FOR ALASKA NORTH SLOPE CRUDE OIL FOR SALE ON THE UNITED  
30 STATES WEST COAST DURING THE CALENDAR YEAR FOR WHICH  
31 THE TAX IS DUE IS OVER \$15 BUT NOT OVER \$17.50; OR

(E) ZERO PERCENT OF THE GROSS VALUE AT THE POINT OF PRODUCTION WHEN THE AVERAGE PRICE PER BARREL FOR ALASKA NORTH SLOPE CRUDE OIL FOR SALE ON THE UNITED STATES WEST COAST DURING THE CALENDAR YEAR FOR WHICH THE TAX IS DUE IS \$15 OR LESS]."

Renumber the following bill sections accordingly.

Page 5, following line 6:

Insert new bill sections to read:

**\*\* Sec. 12.** AS 43.55.020(a) is amended to read:

(a) For a calendar year, a producer subject to tax under AS 43.55.011 shall pay the tax as follows:

(1) for oil and gas produced before January 1, 2014, an installment payment of the estimated tax levied by AS 43.55.011(e), net of any tax credits applied as allowed by law, is due for each month of the calendar year on the last day of the following month; except as otherwise provided under (2) of this subsection, the amount of the installment payment is the sum of the following amounts, less 1/12 of the tax credits that are allowed by law to be applied against the tax levied by AS 43.55.011(e) for the calendar year, but the amount of the installment payment may not be less than zero:

(A) for oil and gas not subject to AS 43.55.011(o) or (p) produced from leases or properties in the state outside the Cook Inlet sedimentary basin, other than leases or properties subject to AS 43.55.011(f), the greater of

(i) zero; or

(ii) the sum of 25 percent and the tax rate calculated for the month under AS 43.55.011(g) multiplied by the remainder obtained by subtracting 1/12 of the producer's adjusted lease expenditures for the calendar year of production under AS 43.55.165 and 43.55.170 that are deductible for the oil and gas under AS 43.55.160 from the gross value

1 at the point of production of the oil and gas produced from the leases or  
2 properties during the month for which the installment payment is  
3 calculated;

4 (B) for oil and gas produced from leases or properties subject  
5 to AS 43.55.011(f), the greatest of

6 (i) zero;

7 (ii) zero percent, one percent, two percent, three  
8 percent, or four percent, as applicable, of the gross value at the point of  
9 production of the oil and gas produced from the leases or properties  
10 during the month for which the installment payment is calculated; or

11 (iii) the sum of 25 percent and the tax rate calculated for  
12 the month under AS 43.55.011(g) multiplied by the remainder obtained  
13 by subtracting 1/12 of the producer's adjusted lease expenditures for the  
14 calendar year of production under AS 43.55.165 and 43.55.170 that are  
15 deductible for the oil and gas under AS 43.55.160 from the gross value  
16 at the point of production of the oil and gas produced from those leases  
17 or properties during the month for which the installment payment is  
18 calculated;

19 (C) for oil or gas subject to AS 43.55.011(j), (k), or (o), for  
20 each lease or property, the greater of

21 (i) zero; or

22 (ii) the sum of 25 percent and the tax rate calculated for  
23 the month under AS 43.55.011(g) multiplied by the remainder obtained  
24 by subtracting 1/12 of the producer's adjusted lease expenditures for the  
25 calendar year of production under AS 43.55.165 and 43.55.170 that are  
26 deductible under AS 43.55.160 for the oil or gas, respectively,  
27 produced from the lease or property from the gross value at the point of  
28 production of the oil or gas, respectively, produced from the lease or  
29 property during the month for which the installment payment is  
30 calculated;

31 (D) for oil and gas subject to AS 43.55.011(p), the lesser of



1 (i) the sum of 25 percent and the tax rate calculated for  
2 the month under AS 43.55.011(g) multiplied by the remainder obtained  
3 by subtracting 1/12 of the producer's adjusted lease expenditures for the  
4 calendar year of production under AS 43.55.165 and 43.55.170 that are  
5 deductible for the oil and gas under AS 43.55.160 from the gross value  
6 at the point of production of the oil and gas produced from the leases or  
7 properties during the month for which the installment payment is  
8 calculated, but not less than zero; or

9 (ii) four percent of the gross value at the point of  
10 production of the oil and gas produced from the leases or properties  
11 during the month, but not less than zero;

12 (2) an amount calculated under (1)(C) of this subsection for oil or gas  
13 subject to AS 43.55.011(j), (k), or (o) may not exceed the product obtained by  
14 carrying out the calculation set out in AS 43.55.011(j)(1) or (2) or 43.55.011(o), as  
15 applicable, for gas or set out in AS 43.55.011(k)(1) or (2), as applicable, for oil, but  
16 substituting in AS 43.55.011(j)(1)(A) or (2)(A) or 43.55.011(o), as applicable, the  
17 amount of taxable gas produced during the month for the amount of taxable gas  
18 produced during the calendar year and substituting in AS 43.55.011(k)(1)(A) or  
19 (2)(A), as applicable, the amount of taxable oil produced during the month for the  
20 amount of taxable oil produced during the calendar year;

21 (3) an installment payment of the estimated tax levied by  
22 AS 43.55.011(i) for each lease or property is due for each month of the calendar year  
23 on the last day of the following month; the amount of the installment payment is the  
24 sum of

25 (A) the applicable tax rate for oil provided under  
26 AS 43.55.011(i), multiplied by the gross value at the point of production of the  
27 oil taxable under AS 43.55.011(i) and produced from the lease or property  
28 during the month; and

29 (B) the applicable tax rate for gas provided under  
30 AS 43.55.011(i), multiplied by the gross value at the point of production of the  
31 gas taxable under AS 43.55.011(i) and produced from the lease or property

1 during the month;

2 (4) any amount of tax levied by AS 43.55.011, net of any credits  
3 applied as allowed by law, that exceeds the total of the amounts due as installment  
4 payments of estimated tax is due on March 31 of the year following the calendar year  
5 of production;

6 (5) for oil and gas produced on and after January 1, 2014, and before  
7 January 1, 2022, an installment payment of the estimated tax levied by  
8 AS 43.55.011(e), net of any tax credits applied as allowed by law, is due for each  
9 month of the calendar year on the last day of the following month; except as otherwise  
10 provided under (6) of this subsection, the amount of the installment payment is the  
11 sum of the following amounts, less 1/12 of the tax credits that are allowed by law to be  
12 applied against the tax levied by AS 43.55.011(e) for the calendar year, but the amount  
13 of the installment payment may not be less than zero:

14 (A) for oil and gas not subject to AS 43.55.011(o) or (p)  
15 produced from leases or properties in the state outside the Cook Inlet  
16 sedimentary basin, other than leases or properties subject to AS 43.55.011(f),  
17 the greater of

18 (i) zero; or

19 (ii) 35 percent multiplied by the remainder obtained by  
20 subtracting 1/12 of the producer's adjusted lease expenditures for the  
21 calendar year of production under AS 43.55.165 and 43.55.170 that are  
22 deductible for the oil and gas under AS 43.55.160 from the gross value  
23 at the point of production of the oil and gas produced from the leases or  
24 properties during the month for which the installment payment is  
25 calculated;

26 (B) for oil and gas produced from leases or properties subject  
27 to AS 43.55.011(f), the greatest of

28 (i) zero;

29 (ii) zero percent, one percent, two percent, three  
30 percent, [OR] four percent, or five percent, as applicable, of the gross  
31 value at the point of production of the oil and gas produced from the

1 leases or properties during the month for which the installment  
2 payment is calculated; or

3 (iii) 35 percent multiplied by the remainder obtained by  
4 subtracting 1/12 of the producer's adjusted lease expenditures for the  
5 calendar year of production under AS 43.55.165 and 43.55.170 that are  
6 deductible for the oil and gas under AS 43.55.160 from the gross value  
7 at the point of production of the oil and gas produced from those leases  
8 or properties during the month for which the installment payment is  
9 calculated, except that, for the purposes of this calculation, a reduction  
10 from the gross value at the point of production may apply for oil and  
11 gas subject to AS 43.55.160(f) or (g);

12 (C) for oil or gas subject to AS 43.55.011(j), (k), or (o), for  
13 each lease or property, the greater of

14 (i) zero; or

15 (ii) 35 percent multiplied by the remainder obtained by  
16 subtracting 1/12 of the producer's adjusted lease expenditures for the  
17 calendar year of production under AS 43.55.165 and 43.55.170 that are  
18 deductible under AS 43.55.160 for the oil or gas, respectively,  
19 produced from the lease or property from the gross value at the point of  
20 production of the oil or gas, respectively, produced from the lease or  
21 property during the month for which the installment payment is  
22 calculated;

23 (D) for oil and gas subject to AS 43.55.011(p), the lesser of

24 (i) 35 percent multiplied by the remainder obtained by  
25 subtracting 1/12 of the producer's adjusted lease expenditures for the  
26 calendar year of production under AS 43.55.165 and 43.55.170 that are  
27 deductible for the oil and gas under AS 43.55.160 from the gross value  
28 at the point of production of the oil and gas produced from the leases or  
29 properties during the month for which the installment payment is  
30 calculated, but not less than zero; or

31 (ii) four percent of the gross value at the point of

1 production of the oil and gas produced from the leases or properties  
 2 during the month, but not less than zero;

3 (6) an amount calculated under (5)(C) of this subsection for oil or gas  
 4 subject to AS 43.55.011(j), (k), or (o) may not exceed the product obtained by  
 5 carrying out the calculation set out in AS 43.55.011(j)(1) or (2) or 43.55.011(o), as  
 6 applicable, for gas or set out in AS 43.55.011(k)(1) or (2), as applicable, for oil, but  
 7 substituting in AS 43.55.011(j)(1)(A) or (2)(A) or 43.55.011(o), as applicable, the  
 8 amount of taxable gas produced during the month for the amount of taxable gas  
 9 produced during the calendar year and substituting in AS 43.55.011(k)(1)(A) or  
 10 (2)(A), as applicable, the amount of taxable oil produced during the month for the  
 11 amount of taxable oil produced during the calendar year;

12 (7) for oil and gas produced on or after January 1, 2022, an installment  
 13 payment of the estimated tax levied by AS 43.55.011(e), net of any tax credits applied  
 14 as allowed by law, is due for each month of the calendar year on the last day of the  
 15 following month; the amount of the installment payment is the sum of the following  
 16 amounts, less 1/12 of the tax credits that are allowed by law to be applied against the  
 17 tax levied by AS 43.55.011(e) for the calendar year, but the amount of the installment  
 18 payment may not be less than zero:

19 (A) for oil produced from leases or properties that include land  
 20 north of 68 degrees North latitude, the greatest of

21 (i) zero;

22 (ii) five [ZERO PERCENT, ONE PERCENT, TWO  
 23 PERCENT, THREE PERCENT, OR FOUR] percent [, AS  
 24 APPLICABLE,] of the gross value at the point of production of the oil  
 25 produced from the leases or properties during the month for which the  
 26 installment payment is calculated; or

27 (iii) 35 percent multiplied by the remainder obtained by  
 28 subtracting 1/12 of the producer's adjusted lease expenditures for the  
 29 calendar year of production under AS 43.55.165 and 43.55.170 that are  
 30 deductible for the oil under AS 43.55.160(h)(1) from the gross value at  
 31 the point of production of the oil produced from those leases or

1 properties during the month for which the installment payment is  
2 calculated, except that, for the purposes of this calculation, a reduction  
3 from the gross value at the point of production may apply for oil  
4 subject to AS 43.55.160(f) or 43.55.160(f) and (g);

5 (B) for oil produced before or during the last calendar year  
6 under AS 43.55.024(b) for which the producer could take a tax credit under  
7 AS 43.55.024(a), from leases or properties in the state outside the Cook Inlet  
8 sedimentary basin, no part of which is north of 68 degrees North latitude, other  
9 than leases or properties subject to AS 43.55.011(p), the greater of

10 (i) zero; or

11 (ii) 35 percent multiplied by the remainder obtained by  
12 subtracting 1/12 of the producer's adjusted lease expenditures for the  
13 calendar year of production under AS 43.55.165 and 43.55.170 that are  
14 deductible for the oil under AS 43.55.160(h)(2) from the gross value at  
15 the point of production of the oil produced from the leases or properties  
16 during the month for which the installment payment is calculated;

17 (C) for oil and gas produced from leases or properties subject  
18 to AS 43.55.011(p), except as otherwise provided under (8) of this subsection,  
19 the sum of

20 (i) 35 percent multiplied by the remainder obtained by  
21 subtracting 1/12 of the producer's adjusted lease expenditures for the  
22 calendar year of production under AS 43.55.165 and 43.55.170 that are  
23 deductible for the oil under AS 43.55.160(h)(3) from the gross value at  
24 the point of production of the oil produced from the leases or properties  
25 during the month for which the installment payment is calculated, but  
26 not less than zero; and

27 (ii) 13 percent of the gross value at the point of  
28 production of the gas produced from the leases or properties during the  
29 month, but not less than zero;

30 (D) for oil produced from leases or properties in the state, no  
31 part of which is north of 68 degrees North latitude, other than leases or

properties subject to (B) or (C) of this paragraph, the greater of

(i) zero; or

(ii) 35 percent multiplied by the remainder obtained by subtracting 1/12 of the producer's adjusted lease expenditures for the calendar year of production under AS 43.55.165 and 43.55.170 that are deductible for the oil under AS 43.55.160(h)(4) from the gross value at the point of production of the oil produced from the leases or properties during the month for which the installment payment is calculated;

(E) for gas produced from each lease or property in the state, other than a lease or property subject to AS 43.55.011(p), 13 percent of the gross value at the point of production of the gas produced from the lease or property during the month for which the installment payment is calculated, but not less than zero;

(8) an amount calculated under (7)(C) of this subsection may not exceed four percent of the gross value at the point of production of the oil and gas produced from leases or properties subject to AS 43.55.011(p) during the month for which the installment payment is calculated;

(9) for purposes of the calculation under (1)(B)(ii), (5)(B)(ii), and (7)(A)(ii) of this subsection, the applicable percentage of the gross value at the point of production is determined under AS 43.55.011(f) [AS 43.55.011(f)(1) OR (2)] but substituting the phrase "month for which the installment payment is calculated" in AS 43.55.011(f) [AS 43.55.011(f)(1) AND (2)] for the phrase "calendar year for which the tax is due."

**\* Sec. 13.** AS 43.55.020(i) is amended to read:

(i) Notwithstanding any contrary provision of AS 43.05.225 or (g) or (h) of this section, if the amount of a tax payment, including an installment payment, due under (a)(1) - (5) [(4)] of this section is affected by the retroactive application of a regulation adopted under this chapter, the department shall determine whether the retroactive application of the regulation caused an underpayment or an overpayment of the amount due and adjust the interest due on the affected payment as follows:

(1) if an underpayment of the amount due occurred, the department

1 shall waive interest that would otherwise accrue for the underpayment before the first  
 2 day of the second month following the month in which the regulation became  
 3 effective, if

4 (A) the department determines that the producer's  
 5 underpayment resulted because the regulation was not in effect when the  
 6 payment was due; and

7 (B) the producer demonstrates that it made a good faith  
 8 estimate of its tax obligation in light of the regulations then in effect when the  
 9 payment was due and paid the estimated tax;

10 (2) if an overpayment of the amount due occurred and the department  
 11 determines that the producer's overpayment resulted because the regulation was not in  
 12 effect when the payment was due, the obligation for a refund for the overpayment does  
 13 not begin to accrue interest earlier than the following, as applicable:

14 (A) except as otherwise provided under (B) of this paragraph,  
 15 the first day of the second month following the month in which the regulation  
 16 became effective;

17 (B) 90 days after an amended statement under AS 43.55.030(a)  
 18 and an application to request a refund of production tax paid is filed, if the  
 19 overpayment was for a period for which an amended statement under  
 20 AS 43.55.030(a) was required to be filed before the regulation became  
 21 effective."  
 22

23 Renumber the following bill sections accordingly.

24  
 25 Page 18, line 20:

26 Delete "16, and 17"

27 Insert "19, and 20"

28  
 29 Page 18, lines 25 - 26:

30 Delete "sec. 29"

31 Insert "sec. 32"

1

2 Page 18, line 27:

3 Delete "secs. 13, 14, 18, 23, and 24"

4 Insert "secs. 16, 17, 21, 26, and 27"

5

6 Page 18, line 28:

7 Delete "sec. 29"

8 Insert "sec. 32"

9

10 Page 18, line 31:

11 Delete "sec. 29"

12 Insert "sec. 32"

13

14 Page 19, line 2:

15 Delete "sec. 29"

16 Insert "sec. 32"

17

18 Page 19, line 5:

19 Delete "sec. 29"

20 Insert "sec. 32"

21

22 Page 19, line 8:

23 Delete "sec. 29"

24 Insert "sec. 32"

25

26 Page 19, line 10:

27 Delete "sec. 29"

28 Insert "sec. 32"

29

30 Page 19, line 14:

31 Delete "sec. 21"



- 1           Insert "sec. 24"
- 2
- 3   Page 19, line 15:
- 4           Delete "sec. 29"
- 5           Insert "sec. 32"
- 6
- 7   Page 19, line 17:
- 8           Delete "sec. 29"
- 9           Insert "sec. 32"
- 10
- 11   Page 20, line 12:
- 12           Delete "Sections 30 and 34"
- 13           Insert "Sections 33 and 37"
- 14
- 15   Page 20, line 13:
- 16           Delete "Sections 13, 14, 18 - 25, 27, 29, 32, and 33"
- 17           Insert "Sections 16, 17, 21 - 28, 30, 32, 35, and 36"
- 18
- 19   Page 20, line 15:
- 20           Delete "secs. 36 and 37"
- 21           Insert "secs. 39 and 40"

AMENDMENT

#33

OFFERED IN THE HOUSE

BY REPRESENTATIVE JOSEPHSON

TO: CSHB 247(RES), Draft Version "P"

1 Page 1, line 4, following "credit;":

2 Insert "relating to the minimum tax for certain oil and gas production; relating to  
3 the minimum tax calculation for monthly installment payments of estimated tax;"  
4

5 Page 5, following line 6:

6 Insert a new bill section to read:

7 "\*\* Sec. 11. AS 43.55 is amended by adding a new section to read:

8 **Sec. 43.55.022. Limitations on tax credits.** (a) A tax credit or a fraction of a  
9 tax credit under AS 43.55.023, 43.55.024, and 43.55.025 may not be subtracted in  
10 calculating an installment payment of estimated tax required under AS 43.55.020(a) if  
11 the resulting amount of the installment payment would be less than the amount in  
12 AS 43.55.020(a)(5)(B)(ii) or (7)(A)(ii), as applicable.

13 (b) The total amount of tax credits under AS 43.55.023, 43.55.024, and  
14 43.55.025 that may be applied against a tax levied by AS 43.55.011(e) for a calendar  
15 year may not exceed the sum of the amount of the tax credits or fractions of tax credits  
16 that are allowed under (a) of this section to be subtracted in calculating the installment  
17 payments of estimated tax for each month in the calendar year."  
18

19 Renumber the following bill sections accordingly.  
20

21 Page 6, following line 22:

22 Insert a new bill section to read:

23 "\*\* Sec. 14. AS 43.55.023(c) is amended to read:

(c) A credit or portion of a credit under this section may not be used to reduce a person's tax liability under AS 43.55.011(e) for any calendar year below the amount calculated under AS 43.55.011(f) [ZERO], and any unused credit or portion of a credit not used under this subsection may be applied in a later calendar year."

Renumber the following bill sections accordingly.

Page 8, following line 16:

Insert new bill sections to read:

"\* **Sec. 18.** AS 43.55.024(g) is amended to read:

(g) A tax credit authorized by (c) of this section may not be applied to reduce a producer's tax liability for any calendar year under AS 43.55.011(e) below the amount calculated under AS 43.55.011(f) [ZERO].

\* **Sec. 19.** AS 43.55.024(i) is amended to read:

(i) A producer may apply against the producer's tax liability for the calendar year under AS 43.55.011(e) a tax credit of \$5 for each barrel of oil taxable under AS 43.55.011(e) that meets one or more of the criteria in AS 43.55.160(f) or (g) and that is produced during a calendar year after December 31, 2013. A tax credit authorized by this subsection may not reduce a producer's tax liability for a calendar year under AS 43.55.011(e) below the amount calculated under AS 43.55.011(f) [ZERO].

\* **Sec. 20.** AS 43.55.025(i) is amended to read:

(i) For a production tax credit under this section,

(1) a credit may not be applied to reduce a taxpayer's tax liability under AS 43.55.011(e) below the amount calculated under AS 43.55.011(f) [ZERO] for a calendar year; and

(2) an amount of the production tax credit in excess of the amount that may be applied for a calendar year under this subsection may be carried forward and applied against the taxpayer's tax liability under AS 43.55.011(e) in one or more later calendar years."

1 Renumber the following bill sections accordingly.

2

3 Page 18, line 20, following "APPLICABILITY.":

4 Delete "Sections 7 - 9, 16, and 17"

5 Insert "(a) Sections 7 - 9, 21, and 22"

6

7 Page 18, following line 21:

8 Insert a new subsection to read:

9 "(b) The limitations on the use of tax credits added in AS 43.55.022, added by  
10 sec. 11 of this Act, AS 43.55.024(g) and (i), as amended by secs. 18 and 19 of this  
11 Act, and AS 43.55.025(i), as amended by sec. 20 of this Act, apply to credits applied  
12 to reduce a tax liability for a tax year starting on or after the effective date of secs. 11  
13 and 18 - 20 of this Act."

14

15 Page 18, lines 25 - 26:

16 Delete "sec. 29"

17 Insert "sec. 34"

18

19 Page 18, line 27:

20 Delete "secs. 13, 14, 18, 23, and 24"

21 Insert "secs. 15, 16, 23, 28, and 29"

22

23 Page 18, line 28:

24 Delete "sec. 29"

25 Insert "sec. 34"

26

27 Page 18, line 31:

28 Delete "sec. 29"

29 Insert "sec. 34"

30

31 Page 19, line 2:

1 Delete "sec. 29"  
2 Insert "sec. 34"  
3  
4 Page 19, line 5:  
5 Delete "sec. 29"  
6 Insert "sec. 34"  
7  
8 Page 19, line 8:  
9 Delete "sec. 29"  
10 Insert "sec. 34"  
11  
12 Page 19, line 10:  
13 Delete "sec. 29"  
14 Insert "sec. 34"  
15  
16 Page 19, line 14:  
17 Delete "sec. 21"  
18 Insert "sec. 26"  
19  
20 Page 19, line 15:  
21 Delete "sec. 29"  
22 Insert "sec. 34"  
23  
24 Page 19, line 17:  
25 Delete "sec. 29"  
26 Insert "sec. 34"  
27  
28 Page 20, line 12:  
29 Delete "Sections 30 and 34"  
30 Insert "Sections 35 and 39"  
31

- 1 Page 20, line 13:
- 2 Delete "Sections 13, 14, 18 - 25, 27, 29, 32, and 33"
- 3 Insert "Sections 15, 16, 23 - 30, 32, 34, 37, and 38"
- 4
- 5 Page 20, line 15:
- 6 Delete "secs. 36 and 37"
- 7 Insert "secs. 41 and 42"