

**Title: Applicability of State Royalty, Tax, and Credits by
Geographic and Legal Ownership of Land**

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Purpose: To provide a summary of applicability of royalty and taxes for land with various geographic location and ownership.

Data Source: All information is per state and federal law.

Key Assumptions: All laws in place as of March 2016.

History: This is the first version of this document.

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.

Applicability of State Royalty, Tax, and Credits by Geographic and Legal Ownership of Land

Prepared 3/4/16 by Dan Stickel

Land status	Revenue component			
	Production tax / credits	Royalty	Corporate Income Tax	Property Tax
Offshore beyond 6 miles - Federal OCS	Do not apply	Federal royalties applies; zero shared back to state (in Alaska; other states do receive shared royalties)	Not included in apportionment factor	Does not apply
Offshore 3-6 miles - Federal OCS 8(g) area	Do not apply	Federal royalties applies; 27% shared back to state with no restrictions	Not included in apportionment factor	Does not apply
State lands	All credits available; tax applies to all taxable production	State royalty applies	All property, production, and sales included in apportionment factor	Applies to all oil and gas property
NPR-A - federal owned	All credits available; tax applies to all taxable production	Federal royalty applies; 50% of royalties are shared back to state but must be used for benefit of local communities	All property, production, and sales included in apportionment factor	Applies to all oil and gas property
ANWR	All credits available; tax applies to all taxable production	Federal royalty applies; 90% shared back to state with no restrictions (under current law)	All property, production, and sales included in apportionment factor	Applies to all oil and gas property
Other federal land	All credits available; tax applies to all taxable production	Federal royalties applies; 90% shared back to state with no restrictions	All property, production, and sales included in apportionment factor	Applies to all oil and gas property
Private land (including Alaska Native Corporation)	All credits available; tax applies to all taxable production	Privately negotiated royalty applies; not shared with state. However state levies 5% gross tax on the value of private landowner royalty interest as part of production tax	All property, production, and sales included in apportionment factor	Applies to all oil and gas property

Notes:

Offshore submerged lands in the 0-3 miles category treated same as similar onshore land.