Provisions in CSHB 247(FIN) as amended and their Estimated Fiscal Impact as compared to Spring 2016 Forecast ($millions) - FORECAST PRICE[1]

Note: this table attempts to value the impact of each of the items independently, except where noted. In some cases, the total value of several impacts will not equal the sum of the individual impact values.

Brief Description of Provision - Includes only provisions anticipated to have a direct fiscal impact	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
1. The rate for net operating loss credits for Cook Inlet is changed to 10%.	$0	$0	$0	$0	$0	$0
2. The rate for QCE credits for Cook Inlet is changed to 10%; the rate for well lease exp credits for Cook Inlet is changed to 30% on 1/1/17 and then 20% on 1/1/18	$0	$0	$0	$0	$0	$10-$20
3. For North Slope, certain tax credits cannot reduce liability below 2% of GVPP effective 1/1/17.	$10-$20	$70-$100	$70-$100	$70-$100	$100-$150	$100-$150
4. The interest rate on delinquent taxes is changed to 5% above the Fed Res Discount rate, compounded quarterly	Indeterminate					
5. The GVR cannot be used to create or increase a net operating loss	$0	$0	$0	$0	$0	$5-$15
6. GVR-eligible production qualifies for the GVR for a period of 5 years or until 1/1/21.	$0	$0	$0	$0	$0-$10	$30-$50
7. A tax exempt entity may earn credits applicable to only those lease expenditures subject to tax	Indeterminate					
Total Revenue Impact	**$10-$20**	**$70-$100**	**$70-$100**	**$70-$100**	**$100-$160**	**$145-$235**
A. Budget impact of change in net operating loss credits for Cook Inlet (provision 1 above)	$0	$0-$10	$10-$20	$10-$20	$10-$20	$10-$20
B. Budget impact of change in QCE/WLE credits for Cook Inlet (provision 2 above)	$0	$15-$25	$15-$25	$15-$25	$45-$60	$45-$60
C. Budget impact of not allowing certain credits to reduce North Slope below 2% of GVPP (provision 3 above)	$0	$0	$0	$0	$0-$10	$0-$10
D. Budget impact of limiting refunds to $100 million per company/per project per year (only shifts timing of refunds)	Confidential due to limited use - net neutral as impact shifted to later years					
E. The GVR cannot be used to create or increase a net operating loss (provision 5 above)	$0	$10-$20	$20-$30	$15-$25	$5-$15	$0-$10
F. Budget impact of exploration credit extention for well spudded by 7/1/16	($5)-$0	($5)-$0	$0	$0	$0	$0
G. Budget impact of GVR applying to fields for a period of 5 years (provision 6 above)	$0	$0	$0	$0	$0	$0
Total Budget Impact	**($5)-$0**	**$20-$55**	**$45-$75**	**$40-$70**	**$60-$105**	**$55-$100**
Total Fiscal Impact - does not include revenue impacts from potential changes in investment[2]	**$5-$20**	**$90-$155**	**$115-$175**	**$110-$170**	**$160-$265**	**$200-$335**

Non-refundable carry-forward credits balance at fiscal year end - current law[3]	$618	$751	$732	$585	$265	$136
Non-refundable carry-forward credits balance at fiscal year end - proposed[3]	$686	$954	$1,077	$1,067	$957	$923
Change in year-end balance due to bill	**$68**	**$203**	**$345**	**$482**	**$692**	**$787**

[1]The impacts listed are based on production and prices as forecasted in DOR's Spring 2016 revenue forecast. The forecasted oil prices are between $38.89 and $61.64.

[2]NOTE: "Total Fiscal Impact" includes best estimates of both revenue and operating budget impacts.

[3]These rows include estimates of carried-forward credits for previous calendar years, plus estimates of credits that will be earned on activity through June 30 of the fiscal year.

NOTE: The fiscal impact of this bill is an estimate based on the Spring 2016 revenue forecast. Estimates shown here are draft / preliminary based on our interpretation of possible changes. We reserve the right to make modifications to estimates for any forthcoming fiscal notes.