

AMENDMENT

8

Rep. Tuck

OFFERED IN THE HOUSE

TO: 2d CSHB 247( ), Draft Version "D"

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

2 Insert "relating to the minimum oil and gas production tax for certain oil and  
3 gas;"

4

5 Page 5, following line 31:

6 Insert a new bill section to read:

7 "\*\* Sec. 13. AS 43.55.011(f) is amended to read:

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

9 (1) oil and gas produced before January 1, 2017 [JANUARY 1,  
10 2022], from leases or properties that include land north of 68 degrees North latitude,  
11 other than gas subject to (o) of this section, may not be less than

12 (A) four 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 more than \$25;

16 (B) three 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 \$20 but not over \$25;

20 (C) two 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 \$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; [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

[(A) FOUR] percent of the gross value at the point of production;

(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 [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

1 FOR ALASKA NORTH SLOPE CRUDE OIL FOR SALE ON THE UNITED  
 2 STATES WEST COAST DURING THE CALENDAR YEAR FOR WHICH  
 3 THE TAX IS DUE IS OVER \$15 BUT NOT OVER \$17.50; OR

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

9  
 10 Renumber the following bill sections accordingly.

11  
 12 Page 7, following line 4:

13 Insert a new bill section to read:

14 **"\* Sec. 16.** AS 43.55.020(a) is amended to read:

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

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

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

29 (i) zero; or

30 (ii) the sum of 25 percent and the tax rate calculated for  
 31 the month under AS 43.55.011(g) multiplied by the remainder obtained

1 by subtracting 1/12 of the producer's adjusted lease expenditures for the  
2 calendar year of production under AS 43.55.165 and 43.55.170 that are  
3 deductible for the oil and gas under AS 43.55.160 from the gross value  
4 at the point of production of the oil and gas produced from the leases or  
5 properties during the month for which the installment payment is  
6 calculated;

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

9 (i) zero;

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

14 (iii) the sum of 25 percent and the tax rate calculated for  
15 the month under AS 43.55.011(g) multiplied by the remainder obtained  
16 by 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 for the oil and gas under AS 43.55.160 from the gross value  
19 at the point of production of the oil and gas produced from those leases  
20 or properties during the month for which the installment payment is  
21 calculated;

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

24 (i) zero; or

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

1 property during the month for which the installment payment is  
2 calculated;

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

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

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

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

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

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

1 (B) the applicable tax rate for gas provided under  
2 AS 43.55.011(i), multiplied by the gross value at the point of production of the  
3 gas taxable under AS 43.55.011(i) and produced from the lease or property  
4 during the month;

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

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

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

21 (i) zero; or

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

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

31 (i) zero;

1 (ii) zero percent, one percent, two percent, three  
2 percent, [OR] four percent, or five percent, as applicable, of the gross  
3 value at the point of production of the oil and gas produced from the  
4 leases or properties during the month for which the installment  
5 payment is calculated; or

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

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

17 (i) zero; or

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

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

27 (i) 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 and gas under AS 43.55.160 from the gross value  
31 at the point of production of the oil and gas produced from the leases or

1 properties during the month for which the installment payment is  
 2 calculated, but not less than zero; or

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

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

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

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

24 (i) zero;

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

30 (iii) 35 percent multiplied by the remainder obtained by  
 31 subtracting 1/12 of the producer's adjusted lease expenditures for the



1           calendar year of production under AS 43.55.165 and 43.55.170 that are  
2           deductible for the oil under AS 43.55.160(h)(1) from the gross value at  
3           the point of production of the oil produced from those leases or  
4           properties during the month for which the installment payment is  
5           calculated, except that, for the purposes of this calculation, a reduction  
6           from the gross value at the point of production may apply for oil  
7           subject to AS 43.55.160(f) or 43.55.160(f) and (g);

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

13                   (i) zero; or

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

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

23                   (i) 35 percent multiplied by the remainder obtained by  
24                   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 for the oil under AS 43.55.160(h)(3) from the gross value at  
27                   the point of production of the oil produced from the leases or properties  
28                   during the month for which the installment payment is calculated, but  
29                   not less than zero; and

30                   (ii) 13 percent of the gross value at the point of  
31                   production of the gas produced from the leases or properties during the

month, but not less than zero;

(D) for oil produced from leases or properties in the state, no 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)(1) AND (2)] for the phrase "calendar year for which the tax is due.""

Renumber the following bill sections accordingly.

Page 13, line 12:

Delete "sec. 22"

Insert "sec. 24"

1  
2 Page 15, line 15:  
3 Delete "sec. 25"  
4 Insert "sec. 27"  
5  
6 Page 16, line 14:  
7 Delete "sec. 27"  
8 Insert "sec. 29"  
9  
10 Page 18, line 17:  
11 Delete "sec. 31"  
12 Insert "sec. 33"  
13  
14 Page 18, line 30:  
15 Delete "secs. 31 and 32"  
16 Insert "secs. 33 and 34"  
17  
18 Page 22, line 19:  
19 Delete "sec. 38"  
20 Insert "sec. 40"  
21  
22 Page 29, line 23:  
23 Delete "sec. 27"  
24 Insert "sec. 29"  
25  
26 Page 29, line 24:  
27 Delete "sec. 30"  
28 Insert "sec. 32"  
29  
30 Page 29, line 26:  
31 Delete "sec. 29"

1           Insert "sec. 31"

2

3   Page 29, line 27:

4           Delete "secs. 27, 29, and 30"

5           Insert "secs. 29, 31, and 32"

6

7   Page 29, line 28:

8           Delete "sec. 42"

9           Insert "sec. 44"

10

11   Page 30, line 2:

12           Delete "sec. 50"

13           Insert "sec. 52"

14

15   Page 30, line 3:

16           Delete "sec. 16"

17           Insert "sec. 18"

18           Delete "sec. 19"

19           Insert "sec. 21"

20

21   Page 30, line 4:

22           Delete "sec. 31"

23           Insert "sec. 33"

24           Delete "secs. 34 and 35"

25           Insert "secs. 36 and 37"

26

27   Page 30, line 5:

28           Delete "sec. 36"

29           Insert "sec. 38"

30           Delete "sec. 43"

31           Insert "sec. 45"

1

2 Page 30, line 6:

3 Delete "sec. 44"

4 Insert "sec. 46"

5

6 Page 30, line 7:

7 Delete "sec. 50"

8 Insert "sec. 52"

9

10 Page 30, lines 10 - 11:

11 Delete "sec. 50"

12 Insert "sec. 52"

13

14 Page 30, line 14:

15 Delete "sec. 50"

16 Insert "sec. 52"

17

18 Page 30, line 15:

19 Delete "sec. 50"

20 Insert "sec. 52"

21

22 Page 30, line 19:

23 Delete "sec. 51"

24 Insert "sec. 53"

25

26 Page 30, lines 19 - 20:

27 Delete "sec. 32"

28 Insert "sec. 34"

29

30 Page 30, line 21:

31 Delete "sec. 51"

1           Insert "sec. 53"  
2  
3   Page 30, line 24:  
4           Delete "sec. 51"  
5           Insert "sec. 53"  
6  
7   Page 30, line 26:  
8           Delete "sec. 51"  
9           Insert "sec. 53"  
10  
11   Page 30, line 27:  
12           Delete "sec. 51"  
13           Insert "sec. 53"  
14  
15   Page 31, line 1:  
16           Delete "sec. 52"  
17           Insert "sec. 54"  
18  
19   Page 31, line 2:  
20           Delete "sec. 33"  
21           Insert "sec. 35"  
22           Delete "sec. 37"  
23           Insert "sec. 39"  
24  
25   Page 31, line 3:  
26           Delete "sec. 39"  
27           Insert "sec. 41"  
28  
29   Page 31, line 4:  
30           Delete "sec. 52"  
31           Insert "sec. 54"

1

2 Page 31, line 8:

3 Delete "sec. 52"

4 Insert "sec. 54"

5

6 Page 31, line 10:

7 Delete "sec. 52"

8 Insert "sec. 54"

9

10 Page 31, line 11:

11 Delete "sec. 52"

12 Insert "sec. 54"

13

14 Page 31, line 16:

15 Delete "sec. 52"

16 Insert "sec. 54"

17

18 Page 31, line 17:

19 Delete "sec. 23"

20 Insert "sec. 25"

21 Delete "secs. 26 and 28"

22 Insert "secs. 28 and 30"

23

24 Page 31, line 18:

25 Delete "sec. 33"

26 Insert "sec. 35"

27 Delete "sec. 37"

28 Insert "sec. 39"

29

30 Page 31, line 19:

31 Delete "sec. 45"

1           Insert "sec. 47"  
2  
3   Page 31, line 21:  
4           Delete "sec. 52" in both places.  
5           Insert "sec. 54" in both places.  
6  
7   Page 31, line 26:  
8           Delete "sec. 42"  
9           Insert "sec. 44"  
10  
11   Page 31, line 27:  
12           Delete "sec. 50"  
13           Insert "sec. 52"  
14  
15   Page 31, line 30:  
16           Delete "sec. 50"  
17           Insert "sec. 52"  
18  
19   Page 32, line 4:  
20           Delete "sec. 50"  
21           Insert "sec. 52"  
22  
23   Page 32, line 6:  
24           Delete "sec. 50"  
25           Insert "sec. 52"  
26  
27   Page 32, line 9:  
28           Delete "sec. 50"  
29           Insert "sec. 52"  
30  
31   Page 32, line 12:



1 Delete "sec. 50"

2 Insert "sec. 52"

3

4 Page 32, line 14:

5 Delete "sec. 50"

6 Insert "sec. 52"

7

8 Page 33, line 9:

9 Delete "Sections 22, 53, 61, and 62"

10 Insert "Sections 24, 55, 63, and 64"

11

12 Page 33, line 11:

13 Delete "Sections 32, 51, and 56"

14 Insert "Sections 34, 53, and 58"

15

16 Page 33, line 12:

17 Delete "Sections 23, 26, 28, 33, 37, 39, 45, 52, 57, and 58"

18 Insert "Sections 25, 28, 30, 35, 39, 41, 47, 54, 59, and 60"

19

20 Page 33, line 14:

21 Delete "secs. 63 - 65"

22 Insert "secs. 65 - 67"