

LEGAL SERVICES

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MEMORANDUM

February 10, 2017

SUBJECT: SB 44: Sectional Summary (Work Order No. 30-LS0186\O)

TO: Senator Berta Gardner
Attn: Samantha Harris

FROM: Emily Nauman 
Legislative Counsel

You requested a sectional summary of the above described bill. As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill -- the bill itself is the best statement of its contents.

Section 1 amends AS 43.05.230(a) in accordance with the addition of AS 43.55.030(g), added by sec. 5 of the Act.

Section 2 amends AS 43.05.230(l) to allow the Department of Revenue (department) to make public (1) the aggregate amount of oil and gas production tax credits issued to a person in the following calendar year and (2) information submitted under AS 43.55.030(a)(10), added by sec. 3 of the bill, and AS 43.55.030(e)(3), added by sec. 4 of the bill, unless otherwise prohibited by law.

Section 3 amends AS 43.55.030(a) to require an oil and gas producer to submit to the department information required under regulation and, for each expenditure that is the basis of a credit under AS 43.55.023 or AS 43.55.025, a description of (1) the expenditure, (2) the purpose of the expenditure, and (3) the lease or property for which the expenditure was incurred. In addition, a producer claiming a credit under AS 43.55.023(b), the net operating loss (NOL) credit, must provide the proportion of a lease expenditure attributable to an NOL credit.

Section 4 amends AS 43.55.030(e) to require an oil and gas producer or explorer that incurs a lease expenditure in the state to submit to the department information required under regulation and, for each expenditure that is the basis of a credit under AS 43.55.023 or AS 43.55.025, a description of (1) the expenditure, (2) the purpose of the expenditure, and (3) the lease or property for which the expenditure was incurred. In addition, a producer claiming a credit under AS 43.55.023(b), the NOL credit, must provide the proportion of a lease expenditure attributable to an NOL credit.

Section 5 requires the department to annually report the information collected under

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AS 43.55.030(a)(10), added by sec. 3 of the bill, and AS 43.55.030(e), added by sec. 4 of the bill, to the legislature.

Section 6 gives the bill a July 1, 2017 effective date.

ELN:mlp
17-039.mlp