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FOR IMMEDIATE RELEASE

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Sen. Gardner and Rep. Josephson Introduce Companion Bills to Require Disclosure of Basic Information About Oil Tax Subsidies

JUNEAU - Today, Senate Democratic Leader Berta Gardner (D-Anchorage), and House Resources Committee Co-Chair Rep. Andy Josephson (D-Anchorage) introduced SB44 and HB99, allowing the state to release to the public critical information about our investments in the form of oil tax credits. With passage of the legislation, companies filing for credits would provide a basic description, overall purpose, and general location of these expenses as a condition of participation in our generous credit program.

Since shifting to a net profits tax structure in 2007, the State has given the oil industry [\\$8 billion in subsidies from our treasury](#). Currently, neither the administration, the legislature, nor the people of Alaska as the owners of the resource have enough information to evaluate the effectiveness of the tax credit system.

At a time of fiscal crisis, this elementary information is essential to understanding the real value of the credits, i.e. if they incentivize or increase production. By next year, the state will owe over \$1 billion in subsidies to oil companies for earned but unpaid credits.

“Alaska’s current oil tax credit portfolio results in a potential liability to the state of over a billion dollars, just as we are in a recession and facing a daunting fiscal crisis,” said Rep. Josephson. “This legislation adds some transparency to the tax credits so lawmakers, regulators, and the people of Alaska actually know what we are getting for such a huge investment. In this time of limited funds, we can’t justify spending hundreds of millions of dollars every year on oil tax credits unless they are actually resulting in more oil and gas developments in Alaska which would not happen otherwise.”

HB99 and SB44 will provide both the people, as resource owners, and the decision makers in the legislature much-needed transparency to set the stage for well-informed investment decisions as we move forward to craft a sustainable fiscal future.

“As the legislature searches for cost savings, and as the Senate Republican Majority sets its sights on additional deep cuts to education, transportation, health care services; and using the earnings of the Permanent Fund, we can no longer blindly pay out these huge subsidies, hoping for the best, but without really knowing what happens to our money,” said Senator Gardner. “We’ve been doing this for ten years, and we know virtually nothing. This is not a wise way to invest; this is not a fair business partnership.”

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