

Testimony: Garvan Bucaria
HB 111

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March 1, 2017

3. A balanced budget reduced to a level where expenditures match income. Currently not sustainable without drastic cuts to state government!

Related issues that should be addressed include maintaining incentives to small oil companies to sustain exploration and assist in bringing new fields into production.

Leveling taxes on major oil companies who through integration reap enormous benefits (profits) that escape fair taxation. ^{continued} i.e. pipeline tariffs, restoration assessments that have been fully funded.

End one(1) year amortization of oil wells - should be spread over life of production.

Thank you,

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House Bill 111 - oil and gas production tax,
tax payments, and credits Act.

I find it ironic that the first section AS 43.05.225
you Legislators address is delinquency of
interest. How about Alaska Government
paying its full incentive amounts to oil
companies! Changing tax laws yearly offers
no incentive for much needed new exploration.
Sec 2. AS 43.55.011 Graduated tax rates per barrel
of oil based upon west coast average price
per barrel seems fair, yet difficult to
comprehend unless fully referenced to the
original bill - Shame on you for not providing
the complete document on which an amended
version is contingent - Sec. 3, AS 55.011 (c) & (e)
referenced. Confusing - yes Essential
for comprehending effects - yes. You folks
need to provide we citizens a summary
of what is your intent on this bill!

Obviously a complicated taxing Act, so
a simplified response is justified:

Alaska Economy must be supported
by three basic elements.

1. An environment conducive to a
profitable productive oil industry also
benefits the state.
2. A Permanent Fund invested independently
of a politically motivated Legislature and
Governor - to protect the Corpus of the PF
and provide Alaska residents & Government
economic benefits.