

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE RAUSCHER

TO: CSHB 111(RES), Draft Version "N"

1 Page 24, line 24, through page 25, line 23:

2 Delete all material and insert:

3 **"(3) lease expenditures, as adjusted under (m) of this section, that**

4 **(A) met the requirements of AS 43.55.160(e) in the year that**
5 **the lease expenditures were incurred;**

6 **(B) were deductible in the immediately preceding 10**
7 **calendar years, not counting the year in which the expenditure was**
8 **incurred;**

9 **(C) have not been deducted in the determination of the**
10 **production tax value of oil and gas under AS 43.55.160(a) in a previous**
11 **calendar year;**

12 **(D) were not the basis of a credit under this title; and**

13 **(E) were incurred to explore for, develop, or produce an oil**
14 **or gas deposit located north of 68 degrees North latitude.**

15 * **Sec. 26.** AS 43.55.165 is amended by adding a new subsection to read:

16 (m) A loss carried forward under (a)(3) of this section shall increase in value
17 at a rate of 10 percent, compounded annually. An increase in value under this
18 subsection begins to accrue on January 1 of the calendar year immediately following
19 the calendar year in which the loss was accrued and no longer accrues on
20 December 31 of the calendar year immediately preceding the calendar year in which a
21 carried-forward annual loss is applied. The increase in value accrued under this
22 subsection has no value except as applied in this section. An increase in value may not
23 accrue

- 1 (1) for a partial calendar year;
- 2 (2) for more than 10 calendar years, consecutive or nonconsecutive; or
- 3 (3) on a loss carried forward by a producer whose average amount of
- 4 oil and gas produced a day and taxable under AS 43.55.011(e) is more than 50,000
- 5 BTU equivalent barrels during the calendar year that the loss was accrued."

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7 Page 27, line 23:

8 Delete "and (n)"