

AMENDMENT # 1

OFFERED IN THE HOUSE

BY REPRESENTATIVE SEATON

TO: CSHB 111(FIN), Draft Version "M"

1 Page 31, lines 5 - 28:

2 Delete all material and insert:

3 "(2) AS 43.55.011(g)(3), the monthly production tax value of oil  
4 taxable under AS 43.55.011(e) produced by a producer during a month

5 (A) from leases or properties in the state that include land  
6 north of 68 degrees North latitude is the gross value at the point of  
7 production of that oil, less 1/12 the producer's lease expenditures under  
8 AS 43.55.165 for the calendar year incurred to explore for, develop, or  
9 produce oil and gas deposits located in the state north of 68 degrees North  
10 latitude or located in leases or properties in the state that include land  
11 north of 68 degrees North latitude, as adjusted under AS 43.55.170;

12 (B) in a calendar year that is before or during the last  
13 calendar year under AS 43.55.024(b) for which the producer could take a  
14 tax credit under AS 43.55.024(a), from leases or properties in the state  
15 outside the Cook Inlet sedimentary basin, no part of which is north of 68  
16 degrees North latitude, other than leases or properties subject to  
17 AS 43.55.011(p), is the gross value at the point of production of that oil,  
18 less 1/12 the producer's lease expenditures under AS 43.55.165 for the  
19 calendar year incurred to explore for, develop, or produce oil and gas  
20 deposits located in the state outside the Cook Inlet sedimentary basin and  
21 south of 68 degrees North latitude, other than oil and gas deposits located  
22 in a lease or property that includes land north of 68 degrees North latitude  
23 or that is subject to AS 43.55.011(p) or, before January 1, 2027, from

1 which commercial production has not begun, as adjusted under  
2 AS 43.55.170;

3 (C) from leases or properties subject to AS 43.55.011(p) is  
4 the gross value at the point of production of that oil, less 1/12 the  
5 producer's lease expenditures under AS 43.55.165 for the calendar year  
6 incurred to explore for, develop, or produce oil and gas deposits located in  
7 leases or properties subject to AS 43.55.011(p) or, before January 1, 2027,  
8 located in leases or properties in the state outside the Cook Inlet  
9 sedimentary basin, no part of which is north of 68 degrees North latitude  
10 from which commercial production has not begun, as adjusted under  
11 AS 43.55.170;

12 (D) from leases or properties in the state no part of which is  
13 north of 68 degrees North latitude, other than leases or properties subject  
14 to (B) or (C) of this paragraph, is the gross value at the point of  
15 production of that oil less 1/12 the producer's lease expenditures under  
16 AS 43.55.165 for the calendar year incurred to explore for, develop, or  
17 produce oil and gas deposits located in the state south of 68 degrees North  
18 latitude, other than oil and gas deposits located in a lease or property in  
19 the state that includes land north of 68 degrees North latitude, and  
20 excluding lease expenditures that are deductible under (B) or (C) of this  
21 paragraph or would be deductible under (B) or (C) of this paragraph if  
22 not prohibited by (b) of this section, as adjusted under AS 43.55.170; a  
23 separate monthly production tax value shall be calculated for

24 (i) oil produced from each lease or property in the  
25 Cook Inlet sedimentary basin;

26 (ii) oil produced from each lease or property outside  
27 the Cook Inlet sedimentary basin, no part of which is north of 68  
28 degrees North latitude, other than leases or properties subject to  
29 (C) of this paragraph [(3) OF THIS SUBSECTION]."