

# ALASKA STATE LEGISLATURE

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### Senate CS for CS for House Bill 111(FIN) Summary of changes from Version B to Version V

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#### **Substantive change:**

- Section 27: Subsection (n) of Version B was removed in Version V. This is reflected on page 18, where the former subsection (o) is now subsection (n).

The former subsection (n) allowed half of a carry-forward loss from a new development to be applied immediately against the taxpayer's liability, with the remaining half carried forward until the development entered production. This change aligns the CS with current statute.

The change in Section 27 necessitated a conforming change which removed section 1 from the previous version, on page 1. Removing subsection (n) also removes the need for the Alaska Oil and Gas Conservation Commission to determine the start of regular production for the purposes of (n).

#### **Technical changes:**

- Section 5, Page 4, lines 4-5 of Version V: changes "for a credit for work performed" to "for a credit for a lease expenditure incurred." This language is consistent with existing statute.
- Section 6, Page 4, lines 22-23 of Version V: makes the same change from Section 5, which repeals that language in the future to conform to the future repeal of the Oil and Gas Tax Credit Fund.
- Section 20, Page 14, line 29 and lines 30-31 of Version V: Changes "for work performed before Jan. 1, 2018," to "for an expenditure incurred before Jan. 1, 2018." This language is consistent with existing statute.
- Section 23, Page 16, line 24: Changed "the" to "that" before "calendar year."
- Section 27, Page 18, line 26: Changes "or carry it forward" to "or carry any unused portion forward."

- Section 27, Page 19, lines 2-3: adds “before the application of any credits under this chapter” to further clarify the intent of the provision. The intent is that, when applying carry-forward annual losses, they need only be applied, at the taxpayer’s discretion, to the point at which the tax due is the equivalent of the minimum tax before the application of any other credits to the minimum tax.
- Section 31, Page 19, line 19: Changed “regardless of when the credit was earned or issued” to “for work performed on or after July 1, 2016” to accurately reflect the bill sections the applicability addresses.