

ALASKA STATE LEGISLATURE



REPRESENTATIVE GERAN TARR

House Bill 3005

“An Act relating to the Oil and Gas Production Tax”

Sectional Analysis

Section 1: Amends AS 43.55.011(e), the oil and gas production tax, to include a reference to a new subsection (q).

Section 2: Amends AS 43.55.011(f) to change the existing oil and gas production tax from 4% of the gross value at the point of production (GVPP) to 6%. This applies to oil produced on and after January 1, 2022 and before January 1, 2024.

Section 3: Amends AS 43.55.011 to include a new subsection (q), which suspends the existing tax provisions on North Slope oil production between January 1, 2022 and January 1, 2024. Instead, the minimum tax calculated under subsection (f) will apply.

Section 4: Amends AS 43.55.020(a), which provides the structure of the monthly oil and gas production tax payment schedule, to accommodate the changes in the previous sections (changing the production tax to 6% of GVPP between 2022-24).

Section 5: Provides the Department of Revenue with the ability to adopt regulations necessary to implement the provisions of this bill on or after the effective date.

Section 6: States that Section 5 takes effect immediately.

Section 7: The effective date of this bill is January 1, 2022.