

House Bill 381 – House Resources CS

Version T

House Finance Committee

Department of Revenue

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THE STATE
of ALASKA
GOVERNOR MICHAEL J. DUNLEAVY

Appendix

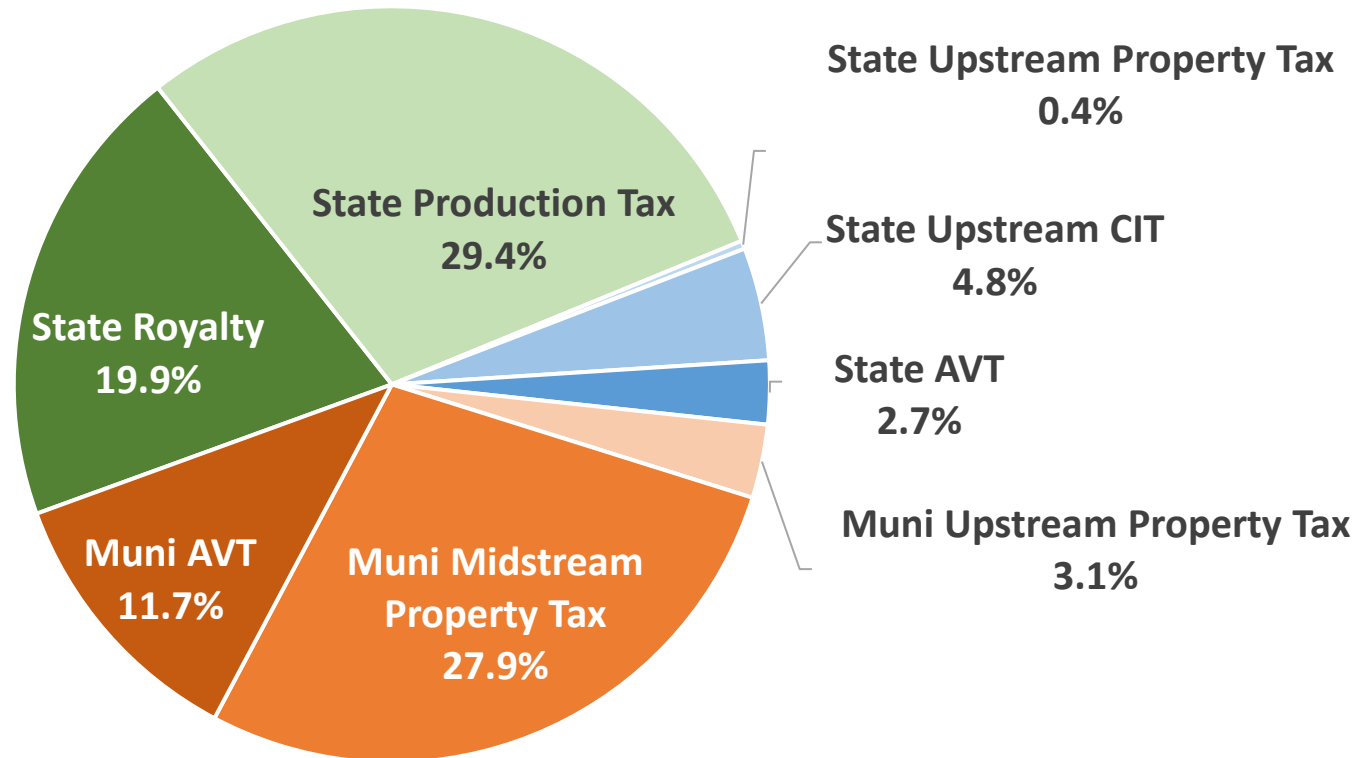
Committee Requests Addressed

1. Visual breakdown of distribution of state and local revenue from the project
 2. Impact of changing AVT rates on gas cost of supply
 3. Relationship between upstream gas price and state revenues
 4. Capital contributions from the state at various levels of equity investment
- Responses assume CSHB381 (RES) version T, except where the request includes changing a provision of the bill



1. Allocation of State and Local Revenue, 2033

Allocation of Tax and Royalty

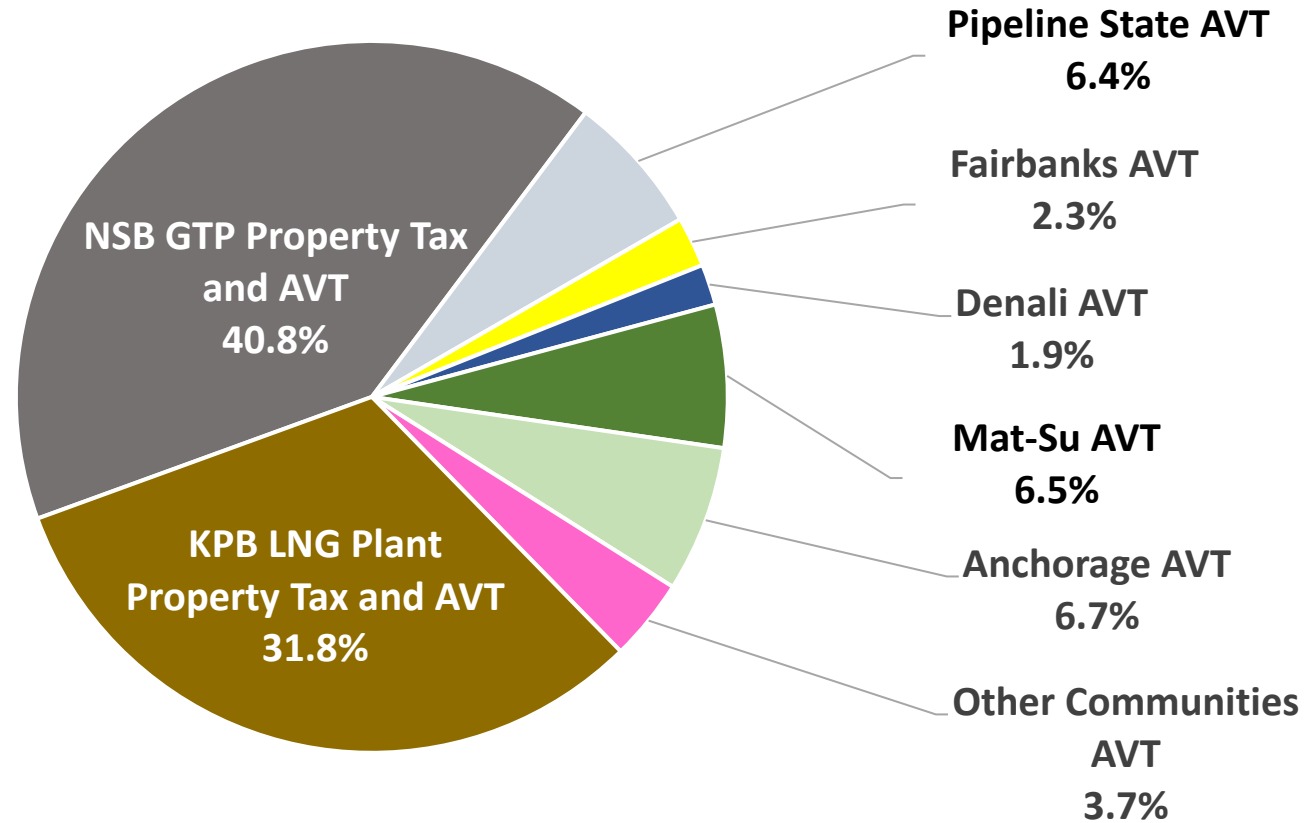


2033 State revenue \$781 million (57%), local revenue \$583 million (43%)



1. Allocation of Property Tax and AVT Revenue, with Per-Capita Breakout, 2033

Allocation of Property Tax and AVT



2033 state revenue \$37 million (6%), local revenue \$540 million (94%)

Assumes current population for municipalities

AVT = Alternative Volumetric Tax, GTP = Gas Treatment Plant, LNG = Liquefied Natural Gas

2. Impact of AVT Rates on Gas Cost of Supply, nominal dollars in 2033

| Pipeline AVT Rate per mcf | \$0.01 | \$0.02 | \$0.04 | \$0.06 | \$0.12 | \$0.15 | \$0.20 | \$0.30 | Current Tax Law |
|-------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|-----------------|
| In-State Gas Break-Even Price | \$4.59 | \$4.61 | \$4.63 | \$4.65 | \$4.73 | \$4.76 | \$4.82 | \$4.95 | \$4.86 |
| LNG Break-Even Price | \$8.78 | \$8.79 | \$8.82 | \$8.84 | \$8.92 | \$8.96 | \$9.02 | \$9.15 | \$9.07 |

Other than varying AVT rate, assumes provisions of HB 381 version T



3. Sensitivity Matrix; Cumulative State Revenues through 2062, Nominal \$ millions

| | | Upstream Gas Price | | | | | | | | | |
|--------------------|------------------------------------|--------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| | | \$1.00 | \$1.50 | \$2.00 | \$2.50 | \$3.00 | \$3.50 | \$4.00 | \$4.50 | \$5.00 | |
| Current Law | Alaska LNG Capital Cost | Base CAPEX | \$22,532 | \$29,716 | \$36,872 | \$44,028 | \$51,183 | \$58,372 | \$65,571 | \$72,770 | \$79,970 |
| | | +20% | \$24,022 | \$31,206 | \$38,362 | \$45,517 | \$52,673 | \$59,861 | \$67,061 | \$74,260 | \$81,459 |
| | | +40% | \$25,511 | \$32,696 | \$39,851 | \$47,007 | \$54,163 | \$61,351 | \$68,550 | \$75,750 | \$82,949 |
| | | +60% | \$27,001 | \$34,185 | \$41,341 | \$48,497 | \$55,653 | \$62,841 | \$70,040 | \$77,240 | \$84,439 |
| | | +80% | \$28,491 | \$35,675 | \$42,831 | \$49,987 | \$57,142 | \$64,330 | \$71,530 | \$78,729 | \$85,929 |
| | | +100% | \$29,981 | \$37,165 | \$44,321 | \$51,476 | \$58,632 | \$65,820 | \$73,020 | \$80,219 | \$87,418 |

| | | Upstream Gas Price | | | | | | | | | |
|--------------------------------|------------------------------------|--------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| | | \$1.00 | \$1.50 | \$2.00 | \$2.50 | \$3.00 | \$3.50 | \$4.00 | \$4.50 | \$5.00 | |
| HB381 as introduced | Alaska LNG Capital Cost | Base CAPEX | \$15,348 | \$22,532 | \$29,688 | \$36,844 | \$43,999 | \$51,188 | \$58,387 | \$65,586 | \$72,786 |
| | | +20% | \$15,348 | \$22,532 | \$29,688 | \$36,844 | \$43,999 | \$51,188 | \$58,387 | \$65,586 | \$72,786 |
| | | +40% | \$15,348 | \$22,532 | \$29,688 | \$36,844 | \$43,999 | \$51,188 | \$58,387 | \$65,586 | \$72,786 |
| | | +60% | \$15,348 | \$22,532 | \$29,688 | \$36,844 | \$43,999 | \$51,188 | \$58,387 | \$65,586 | \$72,786 |
| | | +80% | \$15,348 | \$22,532 | \$29,688 | \$36,844 | \$43,999 | \$51,188 | \$58,387 | \$65,586 | \$72,786 |
| | | +100% | \$15,348 | \$22,532 | \$29,688 | \$36,844 | \$43,999 | \$51,188 | \$58,387 | \$65,586 | \$72,786 |

| | | Upstream Gas Price | | | | | | | | | |
|------------------------------------|------------------------------------|--------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| | | \$1.00 | \$1.50 | \$2.00 | \$2.50 | \$3.00 | \$3.50 | \$4.00 | \$4.50 | \$5.00 | |
| CSHB381 (RES) version T | Alaska LNG Capital Cost | Base CAPEX | \$17,899 | \$25,083 | \$32,239 | \$39,395 | \$46,551 | \$53,739 | \$60,938 | \$68,137 | \$75,337 |
| | | +20% | \$18,234 | \$25,419 | \$32,574 | \$39,730 | \$46,886 | \$54,074 | \$61,273 | \$68,473 | \$75,672 |
| | | +40% | \$18,570 | \$25,754 | \$32,909 | \$40,065 | \$47,221 | \$54,409 | \$61,608 | \$68,808 | \$76,007 |
| | | +60% | \$18,905 | \$26,089 | \$33,245 | \$40,400 | \$47,556 | \$54,744 | \$61,944 | \$69,143 | \$76,342 |
| | | +80% | \$19,240 | \$26,424 | \$33,580 | \$40,736 | \$47,891 | \$55,080 | \$62,279 | \$69,478 | \$76,678 |
| | | +100% | \$19,575 | \$26,759 | \$33,915 | \$41,071 | \$48,227 | \$55,415 | \$62,614 | \$69,813 | \$77,013 |

4. Potential State Capital Contributions for Equity Investment

State Share of Project Equity Capital Contributions, Nominal Dollars

| Millions of Nominal Dollars | 5% Equity | 10% Equity | 15% Equity | 20% Equity | 25% Equity |
|---|--------------|----------------|----------------|----------------|----------------|
| State Share of GTP Capital | \$211 | \$422 | \$634 | \$845 | \$1,056 |
| State Share of Pipeline Capital | \$296 | \$592 | \$887 | \$1,183 | \$1,479 |
| State Share of LNG Plant Capital | \$378 | \$755 | \$1,133 | \$1,511 | \$1,889 |
| Total State Share of Project Capital | \$885 | \$1,769 | \$2,654 | \$3,539 | \$4,423 |

State Share of Project Equity Capital Contributions, Real 2026 Dollars

| Millions of Real 2026 Dollars | 5% Equity | 10% Equity | 15% Equity | 20% Equity | 25% Equity |
|---|--------------|----------------|----------------|----------------|----------------|
| State Share of GTP Capital | \$194 | \$388 | \$582 | \$776 | \$970 |
| State Share of Pipeline Capital | \$275 | \$550 | \$824 | \$1,099 | \$1,374 |
| State Share of LNG Plant Capital | \$352 | \$704 | \$1,057 | \$1,409 | \$1,761 |
| Total State Share of Project Capital | \$821 | \$1,642 | \$2,463 | \$3,284 | \$4,105 |



State share assumes the same 70/30 debt to equity structure as other investors.

Capital Contributions include project capital costs and debt financing fees.

Assumes provisions of HB 381 version T.

4. Potential State Cashflow from Equity Investment

State Share of Project Equity Cashflow, Nominal Dollars

| Total State Equity Cashflow Nominal (\$ millions) | 5% Equity | 10% Equity | 15% Equity | 20% Equity | 25% Equity |
|--|-----------|------------|------------|------------|------------|
| Cumulative to 2042 | \$369 | \$739 | \$1,108 | \$1,478 | \$1,847 |
| Cumulative to 2052 | \$1,587 | \$3,175 | \$4,762 | \$6,349 | \$7,937 |
| Cumulative to 2062 | \$4,269 | \$8,539 | \$12,808 | \$17,078 | \$21,347 |

State Share of Project Equity Cashflow, Real 2026 Dollars

| Total State Equity Cashflow Real 2026 (\$ millions) | 5% Equity | 10% Equity | 15% Equity | 20% Equity | 25% Equity |
|--|-----------|------------|------------|------------|------------|
| Cumulative to 2042 | \$162 | \$324 | \$485 | \$647 | \$809 |
| Cumulative to 2052 | \$854 | \$1,708 | \$2,562 | \$3,417 | \$4,271 |
| Cumulative to 2062 | \$2,088 | \$4,176 | \$6,264 | \$8,352 | \$10,440 |



State share assumes the same 70/30 debt to equity structure as other investors.
 State equity cashflow figures are net of capital contributions.
 Assumes provisions of HB 381 version T.