

ALASKA STATE LEGISLATURE
SENATE FINANCE COMMITTEE



SB 227(FIN) version O

SECTION 1 Amends 31.05.030(n) *AOGCC Powers & Duties*

Conforms Start Date of “Regular Production” to sec. 16 (GVR Repeal).

SECTION 2 Amends 43.55.011(e) *Oil & Gas Production Tax*

Reduces Production Tax from 35% to 17% after January 1, 2027.

SECTION 3 Amends 43.55.014(b) *Payment in Gas for Tax of Gas*

Conforms calculation of Royalty-in-Kind Gas to sec. 2.

SECTION 4 Amends 43.55.020(a) *Payment of Tax*

Makes several conforming changes and 1 substantive change:

Pg. 6, line 28 – conforms to sec. 16 (GVR Repeal).

Pg. 7, line 29 – conforms to sec. 2 (start date of 17% Tax Rate).

Pg. 8, line 20 – conforms to sec. 16 (GVR Repeal).

Pg. 10, line 15 – conforms to new paragraph of this section.

Pg. 10, line 20 – conforms to new paragraph of this section.

Pg. 10, line 24 – conforms to new paragraph of this section.

Pg. 11, line 2 – New Paragraph.

Incorporates 17% Tax Rate & GVR Repeal to Payment Schedule.

SECTION 5 Amends 43.55.020(g) *Payment of Tax*

Conforms Delinquent Payment Penalty to sec. 4 (payment schedule).

SECTION 6 Amends 43.55.020(h) *Payment of Tax*

Conforms Overpayment Interest to sec. 4 (payment schedule).

SECTION 7 Amends 43.55.020(I) *Payment of Tax*

Conforms Royalty Settlement Calculation to sec. 2 (17% Tax Rate).

SECTION 8 Amends 43.55.030(a) *Filing of Statements*

Conforms Annual Producer Statements to sec. 12 (new PTV).

SECTION 9 Amends 43.55.160(a) *Production Tax Value*

Conforms calculation of PTV to sec. 16 (GVR Repeal).

SECTION 10 Amends 43.55.160(e) *Production Tax Value*

Conforms Carried-Forward Annual Loss Calculation to:
Sec. 12 (New Production Tax Value).
Sec. 16 (GVR Repeal).

SECTION 11 Amends 43.55.160(h) *Production Tax Value*

Conforms current PTV Calculation to:
Sec. 2 (17% Tax Rate Start Date).
Sec. 16 (GVR Repeal).

SECTION 12 Adds new subsection (i) to 43.55.160 *Production Tax Value*

Establishes PTV calculation for oil produced after January 1, 2027.

SECTION 13 Amends 43.55.165(a) *Lease Expenditures*

Conforms Allowable Lease Expenditures to sec. 12 (new PTV).

SECTION 14 Amends 43.55.165(I) *Lease Expenditures*

Limits Carried-Forward Annual Loss to 40% of annual tax liability.

SECTION 15 Amends 43.55.165(n) *Lease Expenditures*

Conforms Annual Carried-Forward Calculation to sec. 12 (new PTV).

SECTION 16 Repealers

Per-Barrel Credits (Sliding Scale & \$5 GVR).

GVR (20% & 30% reductions).

SECTION 17 Uncodified Law

Applicability.

SECTION 18 Effective Date

January 1, 2027