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Official Business

Explanation of Changes CS for Senate Bill 227 (FIN)

Version 34-GS2496\G to 34-LS2496\O

- Title:** Eliminates all topics except oil and gas production tax. Previous sections 1 – 42, deleted.
- Section 1:** New section. Adds conforming language to the powers of the Alaska Oil and Gas Conservation Commission.
- Sections 2 – 15:** Amends AS 43.55 – Oil and Gas Production Tax and Oil Surcharge (previous sections 15 – 36 amended these statutes).
- Section 2: Reduces production tax from 35% to 17%.
- Section 4: Creates a new subsection (a)(11) for a payment schedule.
- Section 12: Creates a new subsection (i) to establish a production tax value for oil produced on and after January 1, 2027.
- Section 14: Limits carry-forward annual loss language to 40% of annual tax liability.
- All other sections amending AS 43.55 make conforming changes.
- Sections 16:** Repealers. Eliminates the per barrel tax credits (AS 43.55.024(i) and 43.55.024(j)) and eliminates the gross value reduction (AS 43.55.160(f) and 43.55.160(g)).
- Section 17:** Applicability. The changes made in sections 2, 4, and 16 of this Act apply to all oil and gas produced on or after January 1, 2027.
- Section 18:** Effective Date is January 1, 2027.