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House Bill 223 – Tax & Royalty for Certain Gas

Sectional Analysis

Section 1: AS 38.05.180(f)

Page 1, lines 5,6

This section is amended to include “and (mm) of this section” as an exception to when the commissioner may issue oil and gas leases or leases for gas only on state land.

Page 2, line 14

The word “no” is replaced with “not”

Section 2: AS 38.05.180

Page 8, lines 17-24

A new subsection, (mm), is added to discuss contracts and royalty shares.

Section 3: AS 43.55.011(j)

Page 8, lines 26

This section is amended to include subsection (q) as an exemption to the tax levied by (e) of this section.

Section 4: AS 43.55.011(p)

Page 9, line 15

This section is amended to include (q) as an exemption for the allotted time following the commencement of commercial production of oil or gas produced from leases or properties in the state that are outside the Cook Inlet sedimentary basin.

Section 5: AS 43.55.011

Page 9, lines 23-27

A new subsection, (q), is added that explains how the levy of tax under (e) of this section may not exceed zero for gas that was explored for only on or after the 5th of June, 2023 and offered for sale to an in-state electric or heating utility company before being offered for sale to another person.

Section 6: AS 43.55.020(a)

Page 17, lines 13, 14

A new subsection (H) was added to further discuss installment payments of the estimated tax levied, that included subsection (q).

Section 7: Sections 1 and 2 effective dates

Section 8: Effective Date