

# ALASKA STATE LEGISLATURE

## HOUSE RESOURCES COMMITTEE

### Session: January – April

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## **House Bill 387** ***Cook Inlet Jack-Up Rig Credit***

### **Sectional Analysis for Version U**

**“An Act relating to a tax credit for certain oil and gas equipment in the Cook Inlet sedimentary basin; and providing for an effective date.”**

Sec. 1        Amends AS 43.98 by adding a new section which introduces a tax credit for persons installing a jack-up rig in the Cook Inlet sedimentary basin. The tax credit equals the total cost of purchasing and transporting the rig to Cook Inlet, capped at \$75,000,000.00, usable against taxes imposed under this title with provisions for carryforward of unused portions. Requires that for a jack-up rig to qualify for the credit, it must be used or contracted to be used in Cook Inlet for a minimum of three years. Provides for definition of a “jack-up rig”.

Sec. 2        Repeals jack-up rig drilling credits under AS 43.55.025(a)(5) and 43.55.025(l).

Sec. 3        Specifies an immediate effective date.