

# Fall 2025 Forecast Presentation

## House Finance Committee

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Department of Revenue

January 22, 2026



# Agenda

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1. Forecast Background and Key Assumptions
2. Fall 2025 Revenue Forecast
  - Total State Revenue
  - Unrestricted Revenue
3. Petroleum Forecast Assumptions Detail
  - Oil Price
  - Oil Production
  - Oil and Gas Lease Expenditures
  - Oil and Gas Transportation Costs
  - Petroleum Revenue by Land Type



# Forecast Background and Key Assumptions

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## Background: Fall Revenue Forecast

- Summary Tables released December 11, 2025
- Full Revenue Sources Book released December 18, 2025
- Official revenue forecast used for initial budget process
- Spring update will be used for final budget process
- Located at tax.alaska.gov



A screenshot of the Alaska Department of Revenue - Tax Division website. The header includes the department name, a search bar, and navigation links for Tax Types, Forms, Reports (circled in red), Online Services, and About Tax. Below the header is a banner image of a snowy mountain range. The main content area is divided into several sections: Welcome, News, Oil &amp; Gas Production Tax, Other Taxes, Regulations, Oil &amp; Gas Property Tax, Other Taxes, and Job Opportunities. The "Annual Reports" section is circled in red and lists the "Revenue Forecast: Fall 2025" and "Fall 2025 Revenue Forecast Summary Tables". The "Oil Prices and Production" section displays a table of oil and gas prices for 1/15/2026. The "Online Services" section includes links for Revenue Online and Pay Federal Taxes Online Free. The "Other Links of Interest" section lists links for Pikka Project Fiscal Analysis.

## Fall Forecast Assumptions

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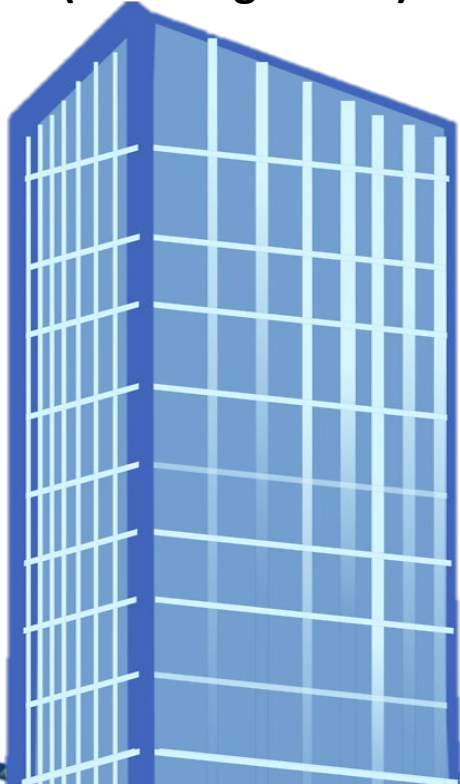
- The economic impacts of financial and geopolitical events are uncertain; Department of Revenue has developed a plausible scenario to forecast these impacts
- Key Assumptions:
  - Investments: Stable growth in investment markets, 7.60% for remainder of FY 2026 and 7.30% for FY 2027+
  - Federal: The forecast incorporates known funding as of December 1, 2025. FY 2028+ assumed to grow with inflation
  - Petroleum: Alaska North Slope oil price of \$65.48 per barrel for FY 2026 and \$62.00 per barrel for FY 2027
  - Non-Petroleum: Stable economic conditions. 1.7 million cruise passengers, five-year recovery for fisheries taxes, minerals prices based on futures markets
  - The revenue forecast is inherently uncertain and represents one scenario among a range of many possible scenarios



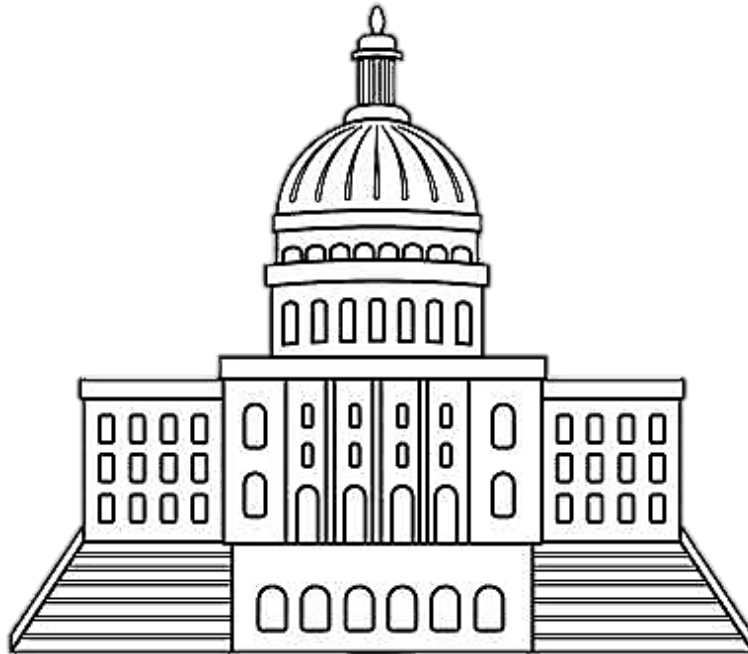
## Relative Contributions to Total State Revenue: FY 2025

### Total State Revenue: \$19.2 Billion

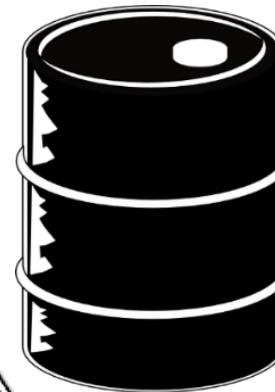
Investment Earnings 43.7%  
(including POMV)



Federal  
Revenue  
36.1%



Petroleum  
12.9%



Other Revenues  
5.5%



Tourism  
0.7%



Fisheries  
0.6%



Mining  
0.5%



Timber  
0.01%

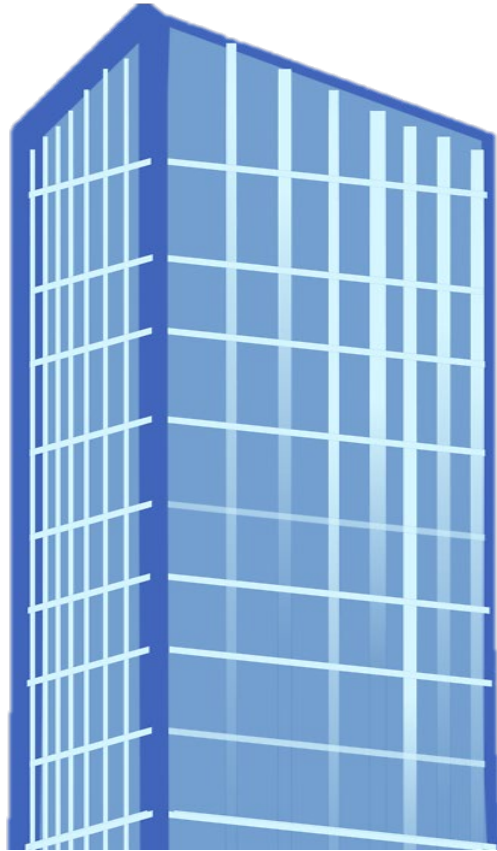


Disclaimer: Numbers may not add to 100% due to rounding. Examples may not be to scale.

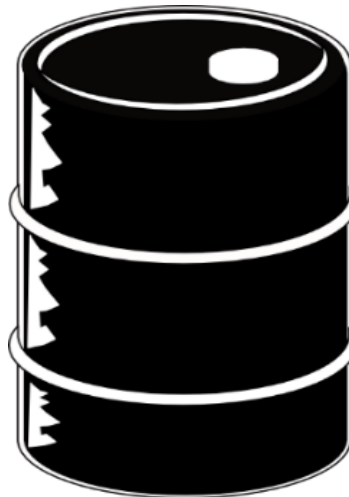
## Relative Contributions to Unrestricted State Revenue: FY 2025

### Unrestricted State Revenue: \$6.3 Billion

Investment Earnings 59.8%



Petroleum  
30.1%



Other Revenues  
7.9%



Mining  
1.2%



Tourism  
0.7%



Fisheries  
0.3%



Disclaimer: Numbers may not add to 100% due to rounding. Examples may not be to scale.



# Fall 2025 Revenue Forecast

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# Total Revenue Forecast: FY 2025 to FY 2027 Totals

\$ Millions	History	Forecast	
Revenue Type	FY 2025	FY 2026	FY 2027
<b>Unrestricted General Fund</b>			
Investment Revenue	3,793.1	3,898.2	4,077.8
Petroleum Revenue	1,910.5	1,425.1	1,443.7
Non-Petroleum Revenue	638.6	623.8	694.0
<b>Subtotal</b>	<b>6,342.2</b>	<b>5,947.1</b>	<b>6,215.5</b>
<b>Designated General Fund</b>			
Investment Revenue	258.6	225.0	164.7
Petroleum Revenue	115.3	82.6	109.1
Non-Petroleum Revenue	538.0	467.0	475.1
<b>Subtotal</b>	<b>911.9</b>	<b>774.6</b>	<b>748.9</b>
<b>Other Restricted Revenue</b>			
Investment Revenue	4,322.2	3,829.4	2,222.9
Petroleum Revenue	429.8	328.4	341.5
Non-Petroleum Revenue	207.0	304.6	276.2
<b>Subtotal</b>	<b>4,959.0</b>	<b>4,462.4</b>	<b>2,840.6</b>
<b>Federal Revenue</b>			
Federal Receipts	6,921.9	6,648.8	5,538.6
Petroleum Revenue	18.2	15.9	-
<b>Subtotal</b>	<b>6,940.1</b>	<b>6,664.7</b>	<b>5,538.6</b>
<b>Total State Revenue</b>	<b>19,153.2</b>	<b>17,848.9</b>	<b>15,343.6</b>



Note: Petroleum revenue shown in the Federal category includes the state share of rents, royalties, and bonuses received from the National Petroleum Reserve-Alaska (NPR-A). From FY2027 onward that revenue is divided between unrestricted revenue (74.5%, the Permanent Fund (25%), and Public School Trust Fund (0.5%). Restricted Investment Revenue includes total realized and unrealized earnings from the Alaska Permanent Fund less the POMV transfer, Constitutional Budget Reserve Fund investment revenues, and Other Restricted Investments.

## Unrestricted Revenue Forecast: FY 2025 and Changes to Two-Year Outlook

		History	Forecast	
		FY 2025	FY 2026	FY 2027
<b>ANS Oil Price</b> <b>(Nominal \$/bbl)</b>	Spring 2025 Forecast	\$74.48	\$68.00	\$67.00
	Fall 2025 Forecast	\$74.15	\$65.48	\$62.00
	<b>Change</b>	<b>(\$0.33)</b>	<b>(\$2.52)</b>	<b>(\$5.00)</b>
<b>ANS Oil Production</b> <b>(Thousands of bbl/day)</b>	Spring 2025 Forecast	466.8	464.0	489.4
	Fall 2025 Forecast	468.0	457.0	517.8
	<b>Change</b>	<b>1.2</b>	<b>(7.0)</b>	<b>28.4</b>
<b>Unrestricted Revenue,</b> <b>including Permanent Fund</b> <b>Transfer (\$ millions)</b>	Spring 2025 Forecast	6,229.0	6,128.6	6,334.6
	Fall 2025 Forecast	6,342.2	5,947.1	6,215.5
	<b>Change</b>	<b>113.2</b>	<b>(181.4)</b>	<b>(119.1)</b>



ANS = Alaska North Slope

## Unrestricted Revenue Forecast: FY 2025 to FY 2027 Totals

\$ Millions	History	Forecast	
Revenue Type	FY 2025	FY 2026	FY 2027
<b>Unrestricted General Fund</b>			
Investment Revenue	3,793.1	3,898.2	4,077.8
Petroleum Revenue	1,910.5	1,425.1	1,443.7
Non-Petroleum Revenue	638.6	623.8	694.0
<b>Total Unrestricted General Fund</b>	<b>6,342.2</b>	<b>5,947.1</b>	<b>6,215.5</b>



## Unrestricted Investment Revenue: FY 2025 to FY 2027 Totals

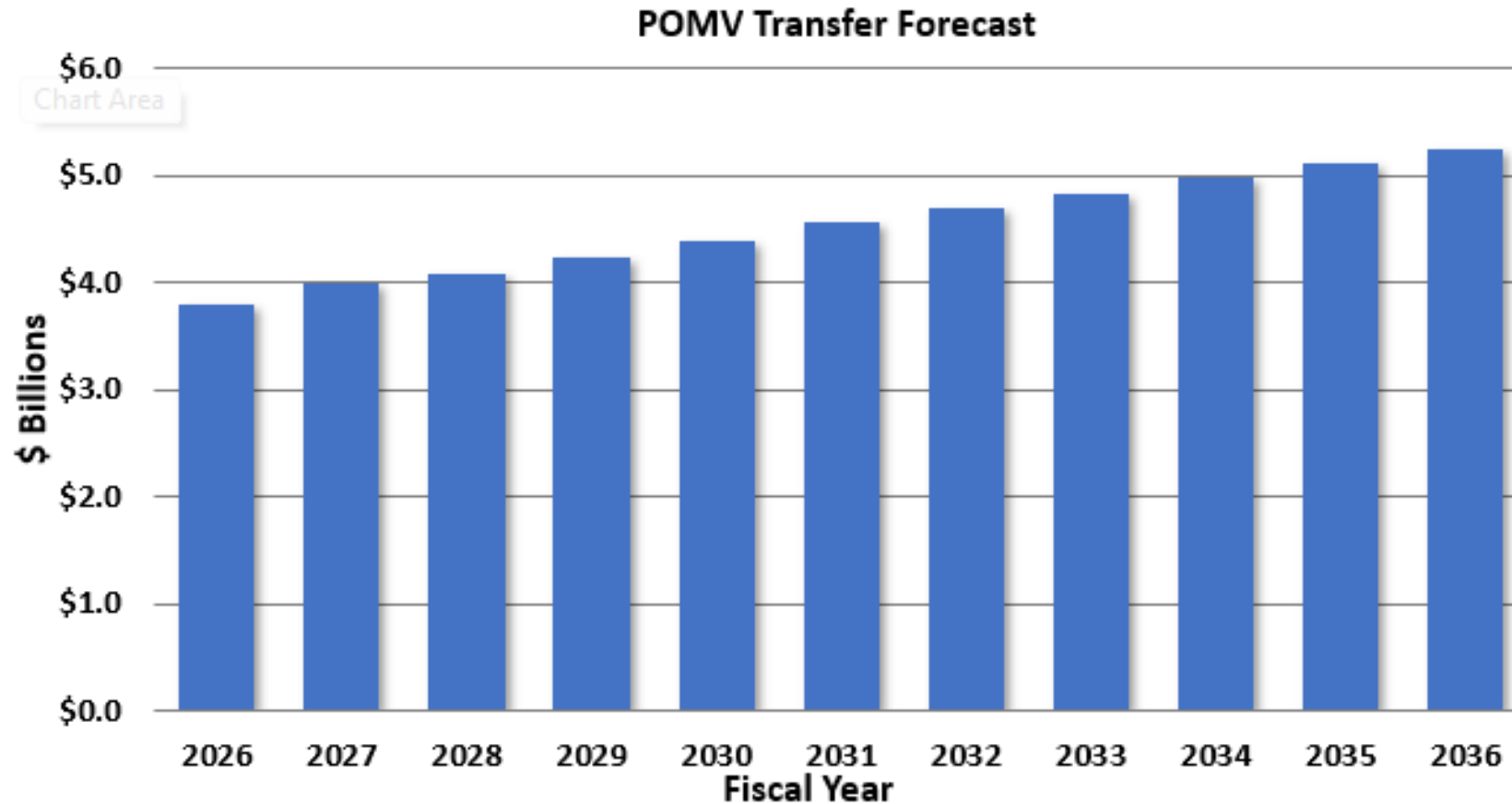
\$ Millions	History	Forecast	
Unrestricted General Fund Revenue	FY 2025	FY 2026	FY 2027
Investment Revenue			
Permanent Fund <sup>1</sup>	3,657.0	3,798.9	3,996.9
Investments	136.1	99.3	80.9
<b>Total Unrestricted Investment Revenue</b>	<b>3,793.1</b>	<b>3,898.2</b>	<b>4,077.8</b>



<sup>1</sup> Percent of Market Value (POMV) Transfer



# Unrestricted Investment Revenue: Percent of Market Value (POMV) Transfer Forecast



- Permanent Fund total return for FY 2025 of 9.35%
- \$85.8 billion fund value as of 11/30/25
- 7.60% return assumption for remainder of FY 2026
- Long-term total return expectation of 7.30% for FY 2027+
- 5.0% annual POMV transfer



Graph is presented in nominal dollars.

POMV = Percent of Market Value

## Unrestricted Petroleum Revenue: FY 2025 to FY 2027 Totals

\$ Millions	History	Forecast	
Unrestricted General Fund Revenue	FY 2025	FY 2026	FY 2027
<b>Taxes</b>			
Oil and Gas Production Tax	634.8	316.1	285.5
Petroleum Corporate Income Tax	132.8	140.0	175.0
Petroleum Property Tax	133.8	143.2	144.7
<b>Subtotal Taxes</b>	<b>901.5</b>	<b>599.3</b>	<b>605.2</b>
<b>Royalties</b>			
Oil and Gas Royalties	987.8	807.8	814.3
Mineral Bonuses, Rents, and Interest	21.2	18.1	14.5
NPR-A Royalties, Rents & Bonuses	-	-	9.6
<b>Subtotal Royalties</b>	<b>1,009.0</b>	<b>825.8</b>	<b>838.4</b>
<b>Total Unrestricted Petroleum Revenue</b>	<b>1,910.5</b>	<b>1,425.1</b>	<b>1,443.7</b>



## Unrestricted Non-Petroleum Revenue: FY 2025 to FY 2027 Totals

\$ Millions	History	Forecast	
Unrestricted General Fund Revenue	FY 2025	FY 2026	FY 2027
<b>Taxes</b>			
Non-Petroleum Corporate Income Tax	228.7	215.0	250.0
Insurance Premium Tax	87.2	88.5	89.4
Mining License Tax	43.3	42.7	62.4
Large Passenger Vessel Gambling Tax	30.1	30.4	30.4
Fisheries	19.6	22.0	24.0
Other Taxes	59.3	57.3	55.1
<b>Subtotal Taxes</b>	<b>468.2</b>	<b>455.9</b>	<b>511.4</b>
Program Receipts	63.2	63.3	64.6
Other	107.2	104.6	118.1
<b>Total Unrestricted Non-Petroleum Revenue</b>	<b>638.6</b>	<b>623.8</b>	<b>694.0</b>



Other Unrestricted Non-Petroleum Revenue category includes Charges for Services, Fines & Forfeitures, Licenses & Permits, Rents & Royalties, and Miscellaneous Revenue & Transfers.

# Petroleum Forecast Assumptions Detail

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## Petroleum Detail: Changes to Long-Term Price Forecast

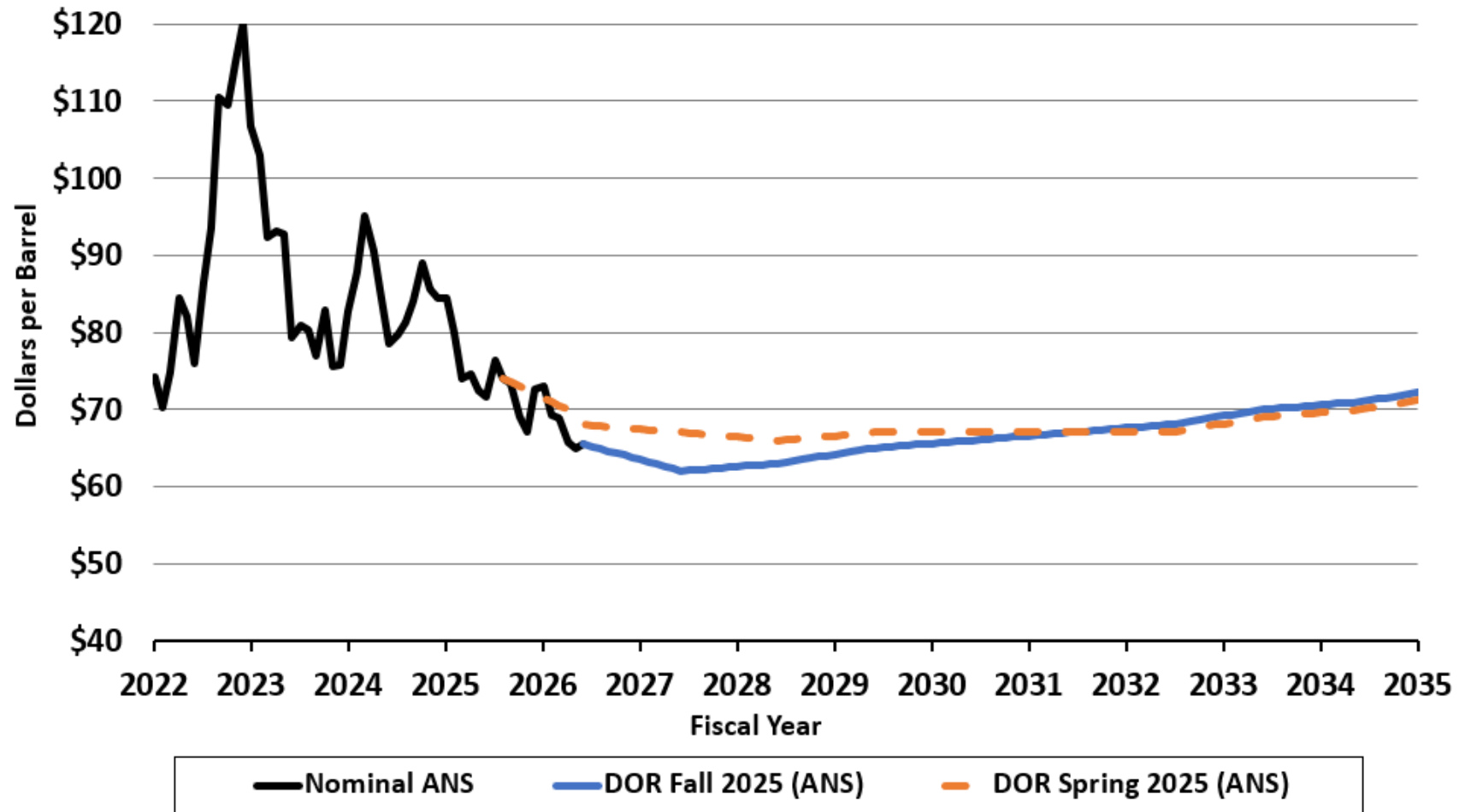
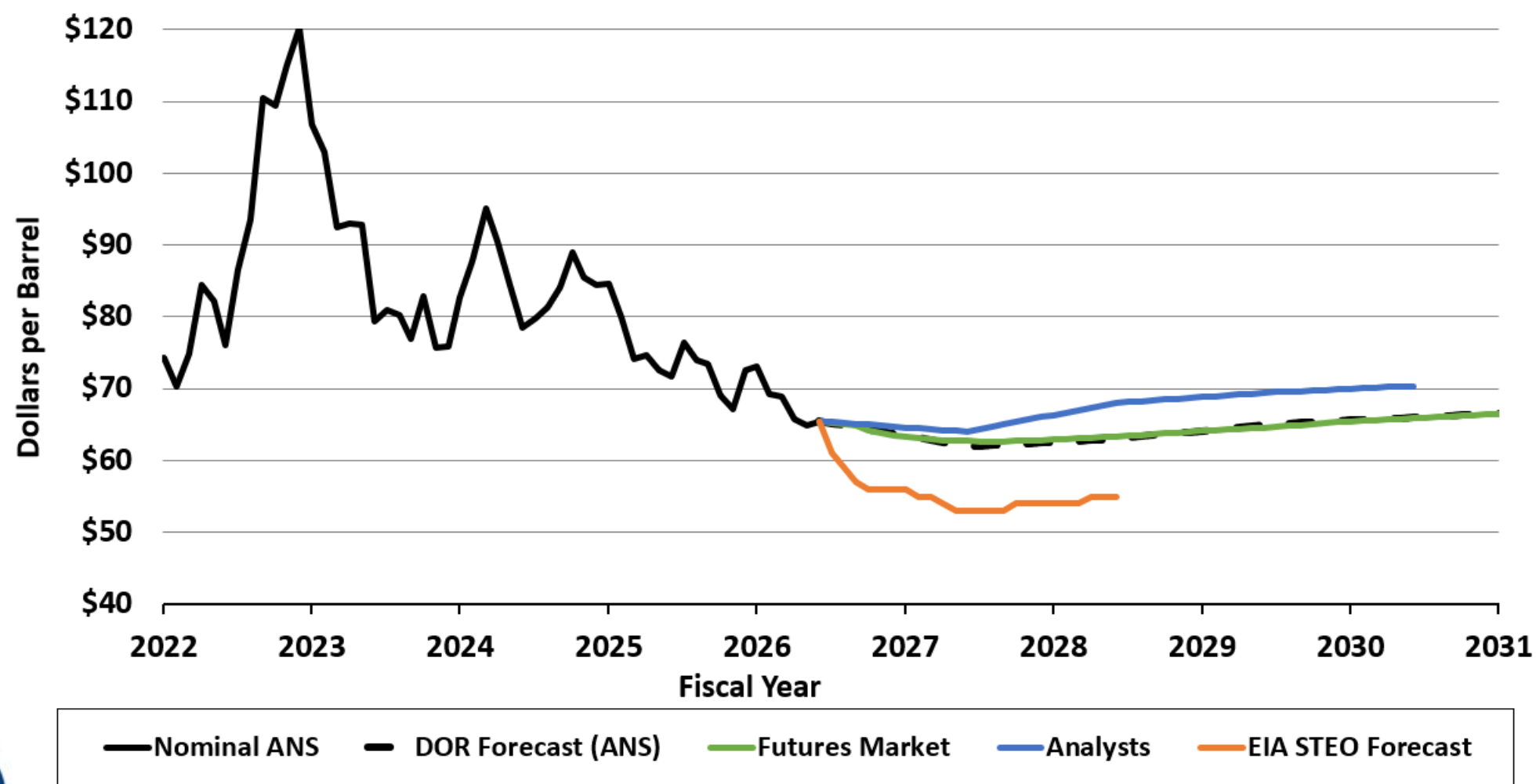


Chart shows monthly average prices.

Source: DOR Fall 2025 Revenue Forecast

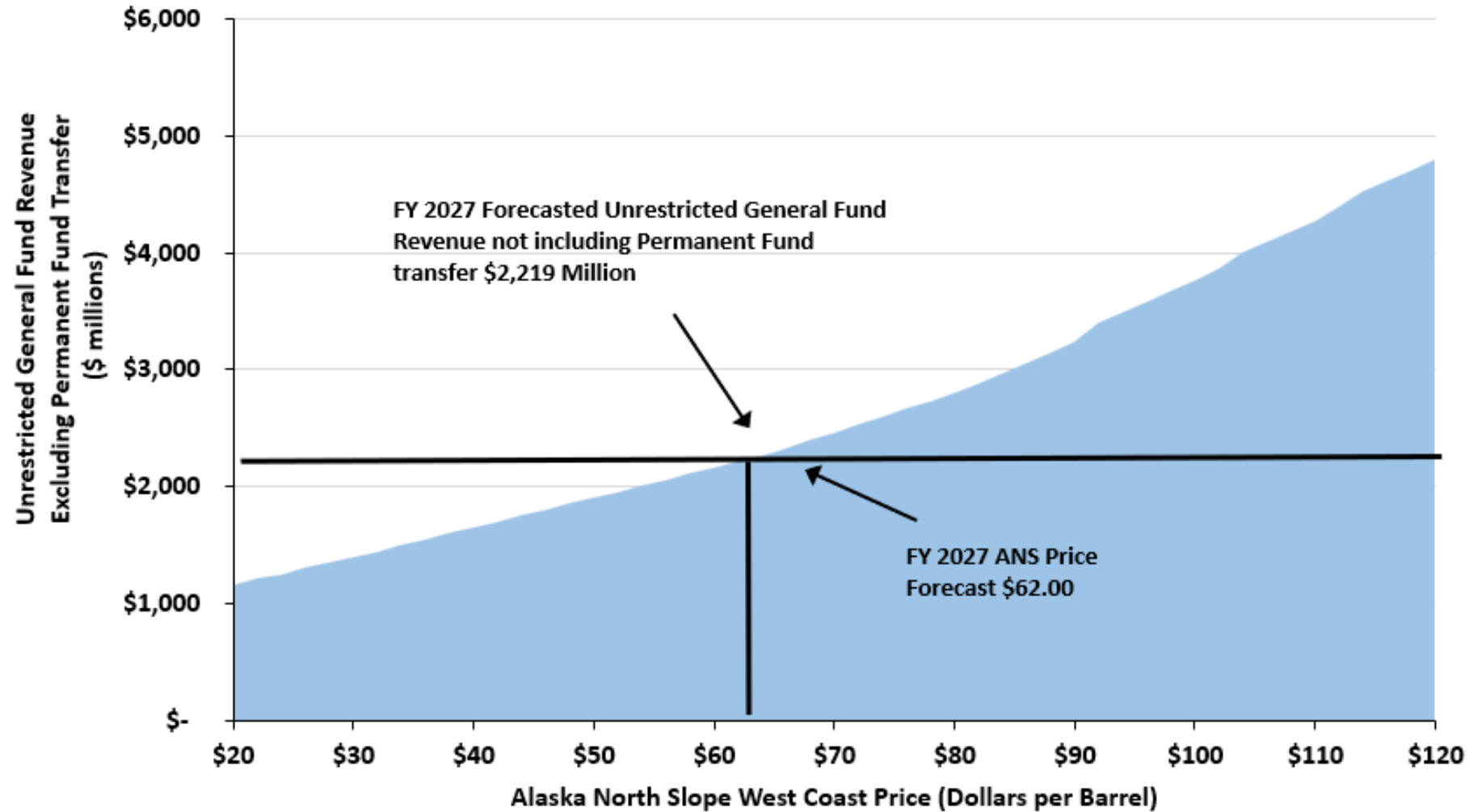
# Petroleum Detail: Nominal Brent Forecasts Comparison as of January 21, 2026



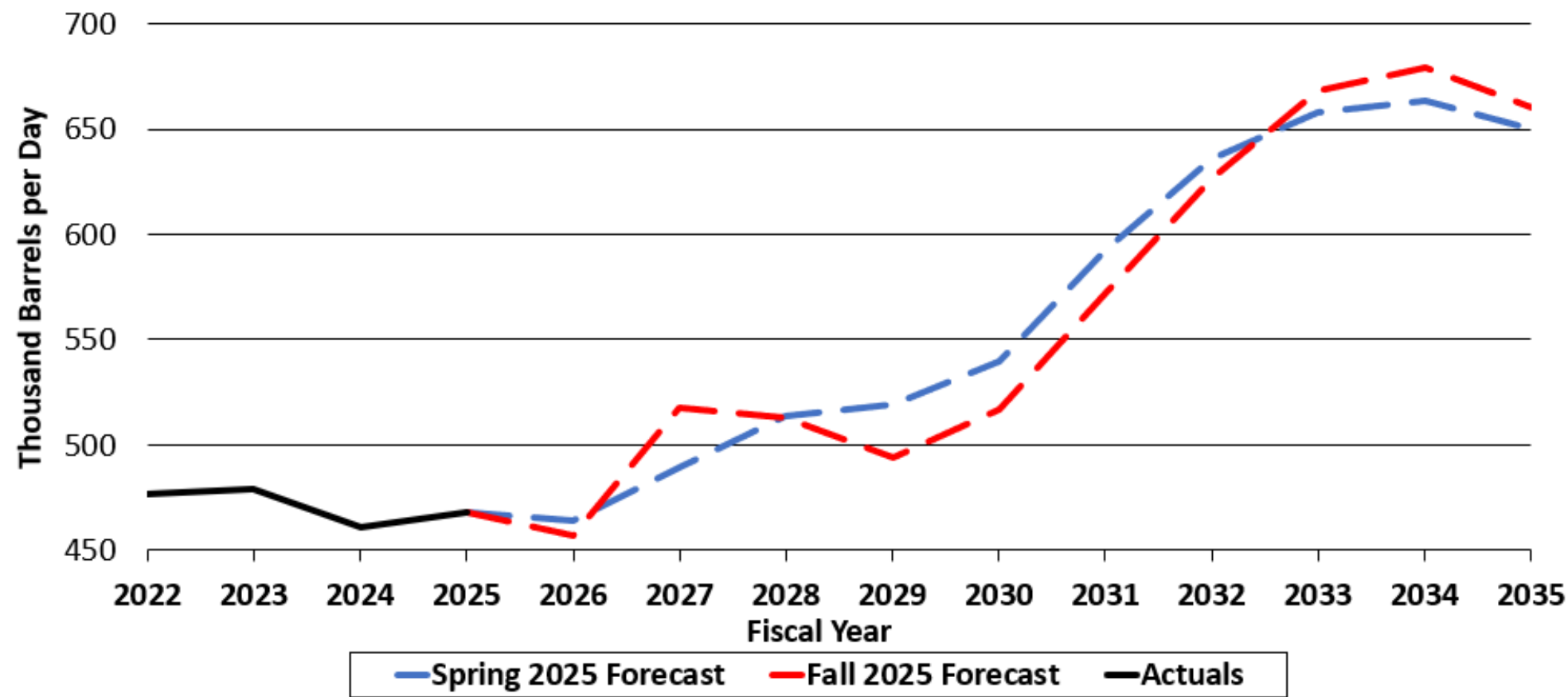
Source: Analyst forecast is the median forecast of 10-38 firms from a Bloomberg survey as of January 21, 2026. Futures prices are from the Chicago Mercantile Exchange (CME) as of January 20, 2026. The U.S. Energy Information Administration (EIA) forecast is from their January 2026 Short-Term Energy Outlook (January, 2026). Chart shows monthly average prices.



## Petroleum Detail: UGF Relative to Price per Barrel (without POMV): FY 2027



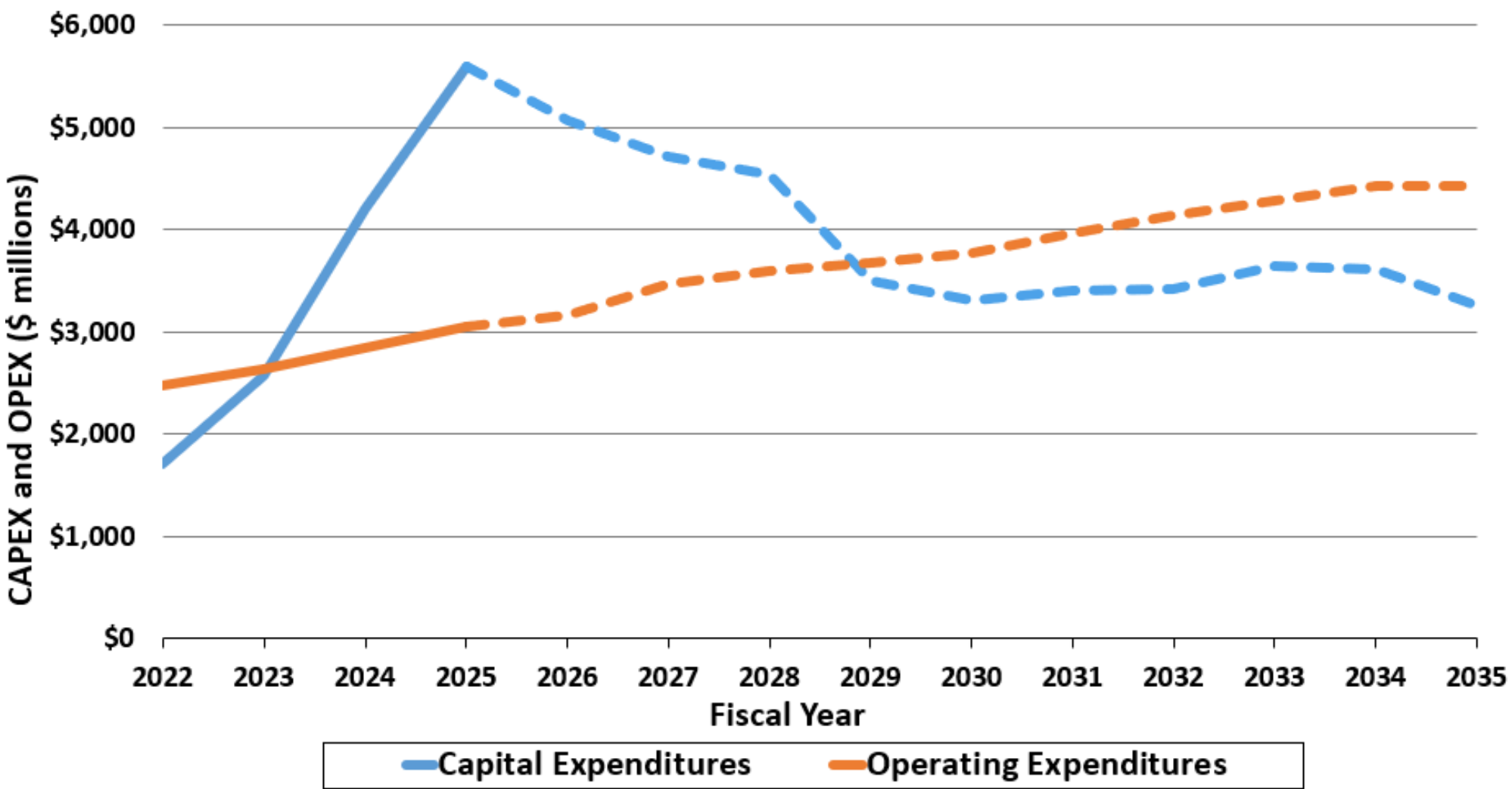
# Petroleum Detail: Changes to North Slope Petroleum Production Forecast



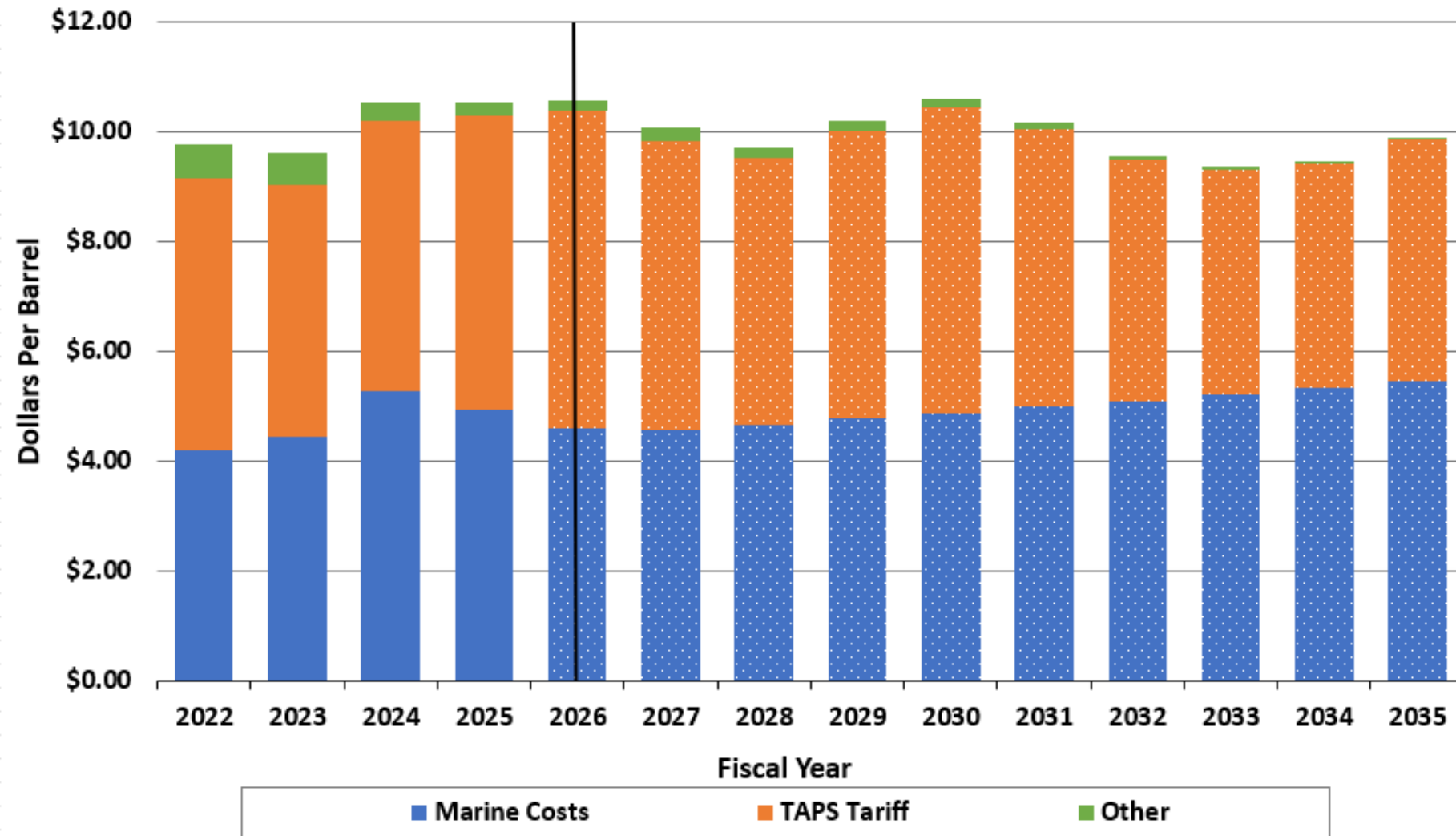
Note: The North Slope Petroleum Production Forecast chart depicts the annualized average production for North Slope oil.



# Petroleum Detail: North Slope Allowable Lease Expenditures



## Petroleum Detail: North Slope Transportation Costs



# State Petroleum Revenue by Land Type

Land Lease Status	Revenue Component			
	Production Tax /	Royalty	Corporate Income Tax	Property Tax
Offshore beyond 6 miles Federal OCS	No	Federal royalties applies; zero shared with state.	No	No
Offshore beyond 6 miles Federal OCS (Cook Inlet Leases issued pursuant to OBBBA)	No	Federal royalties applies; zero shared with state before FY2034, 70% shared with State FY2034+	No	No
Offshore 3-6 miles Federal OCS 8(g) area	No	Federal royalties applies; 27% shared with state	No	No
Offshore 3-6 miles Federal OCS 8(g) area (Cook Inlet Leases issued pursuant to OBBBA)	No	Federal royalties applies; 27% shared with state before FY2034, 70% shared with State FY2034+	No	No
State Lands <sup>1</sup>	Yes	State royalty applies	Yes	Yes
NPR-A Federal owned (Leases issued before 7/4/25)	Yes	Federal royalty applies; 50% of royalties shared with state	Yes	Yes
NPR-A Federal owned (Leases issued after 7/4/25)	Yes	Federal royalty applies; 50% shared with state before FY2034, 70% shared with State FY2034+	Yes	Yes
ANWR Federal owned	Yes	Federal royalty applies; 50% shared with state before FY2034, 70% shared with State FY2034+	Yes	Yes
Other Federal Land	Yes	Federal royalties applies; 90% shared with state	Yes	Yes
Private Land (including Alaska Native Corporations)	Yes	Privately negotiated royalty applies; not shared with state.*	Yes	Yes

1 Offshore submerged lands in the 0-3 miles category treated same as similar onshore land.

\*The state levies 5% (oil) or 1.667% (gas) gross tax on the value of private landowner royalty interest as part of production tax



# THANK YOU

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