

A M E N D M E N T

OFFERED IN THE SENATE

TO: CSSB 192(RES), Draft Version "B"

1 Page 1, line 1:

2 Delete "oil and gas production tax"

3 Insert "tax rates applicable to oil and gas production when the average production
4 tax value for a BTU equivalent barrel of oil and gas is more than \$30"

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6 Page 1, line 3, through page 2, line 6:

7 Delete all material and insert:

8 **** Section 1.** AS 43.55.011(g) is repealed and reenacted to read:

9 (g) For each month of the calendar year for which the producer's average
10 monthly production tax value under AS 43.55.160(a)(2) for each BTU equivalent
11 barrel of the taxable oil and gas is more than \$30, the amount of tax for purposes of
12 (e)(2) of this section is determined by multiplying the monthly production tax value of
13 the taxable oil and gas produced during the month by the following tax rates, as
14 applicable:

15 (1) if the producer's average monthly production tax value of a BTU
16 equivalent barrel of the taxable oil and gas for the month is not more than \$42.50, the
17 tax rate is 2.5 percent of the difference between that average monthly production tax
18 value of a BTU equivalent barrel and \$30;

19 (2) if the producer's average monthly production tax value of a BTU
20 equivalent barrel of the taxable oil and gas for the month is more than \$42.50 but not
21 more than \$55, the tax rates are

22 (A) 2.5 percent on the first \$12.50 of monthly production tax
23 value for each BTU equivalent barrel that is greater than \$30; and

(B) 7.5 percent of the monthly production tax value for each BTU equivalent barrel that is greater than \$42.50;

(3) if the producer's average monthly production tax value of a BTU equivalent barrel of the taxable oil and gas for the month is more than \$55 but not more than \$67.50, the tax rates are

(A) 2.5 percent on the first \$12.50 of monthly production tax value for each BTU equivalent barrel that is greater than \$30;

(B) 7.5 percent of the next higher \$12.50 of monthly production tax value for each BTU equivalent barrel; and

(C) 12.5 percent of the monthly production tax value for each BTU equivalent barrel that is greater than \$55;

(4) if the producer's average monthly production tax value of a BTU equivalent barrel of the taxable oil and gas for the month is more than \$67.50 but not more than \$80, the tax rates are

(A) 2.5 percent on the first \$12.50 of monthly production tax value for each BTU equivalent barrel that is greater than \$30;

(B) 7.5 percent of the next higher \$12.50 of monthly production tax value for each BTU equivalent barrel;

(C) 12.5 percent of the next higher \$12.50 of monthly production tax value for each BTU equivalent barrel;

(D) 17.5 percent of the monthly production tax value for each BTU equivalent barrel that is greater than \$67.50;

(5) if the producer's average monthly production tax value of a BTU equivalent barrel of the taxable oil and gas for the month is more than \$80 but not more than \$92.50, the tax rates are

(A) 2.5 percent on the first \$12.50 of monthly production tax value for each BTU equivalent barrel that is greater than \$30;

(B) 7.5 percent of the next higher \$12.50 of monthly production tax value for each BTU equivalent barrel;

(C) 12.5 percent of the next higher \$12.50 of monthly production tax value for each BTU equivalent barrel;

(D) 17.5 percent of the next higher \$12.50 of monthly production tax value for each BTU equivalent barrel; and

(E) 22.5 percent of the monthly production tax value for each BTU equivalent barrel that is greater than \$80;

(6) if the producer's average monthly production tax value of a BTU equivalent barrel of the taxable oil and gas for the month is more than \$92.50, the tax rates are

(A) 2.5 percent on the first \$12.50 of monthly production tax value for each BTU equivalent barrel that is greater than \$30:

(B) 7.5 percent of the next higher \$12.50 of monthly production tax value for each BTU equivalent barrel:

(C) 12.5 percent of the next higher \$12.50 of monthly production tax value for each BTU equivalent barrel:

(D) 17.5 percent of the next higher \$12.50 of monthly production tax value for each BTU equivalent barrel:

(E) 22.5 percent of the next higher \$12.50 of monthly production tax value for each BTU equivalent barrel; and

(F) 25 percent of the monthly production tax value for each BTU equivalent barrel that is greater than \$92.50.

* **Sec. 2.** The uncodified law of the State of Alaska is amended by adding a new section to read:

APPLICABILITY. Section 1 of this Act applies to oil and gas produced after December 31, 2012.

* **Sec. 3.** The uncodified law of the State of Alaska is amended by adding a new section to read:

TRANSITION: REGULATIONS. The Department of Revenue may adopt regulations to implement this Act. The regulations take effect under AS 44.62 (Administrative Procedure Act), but not before the effective date of the provision of this Act implemented by the regulation.

* **Sec. 4.** Section 1 of this Act takes effect January 1, 2013.

31 * **Sec. 5.** Except as provided in sec. 4 of this Act, this Act takes effect immediately under

1 AS 01.10.070(c)." L