

HOW THE AGIA GAS TAX “EXEMPTION” WORKS

April 7, 2010

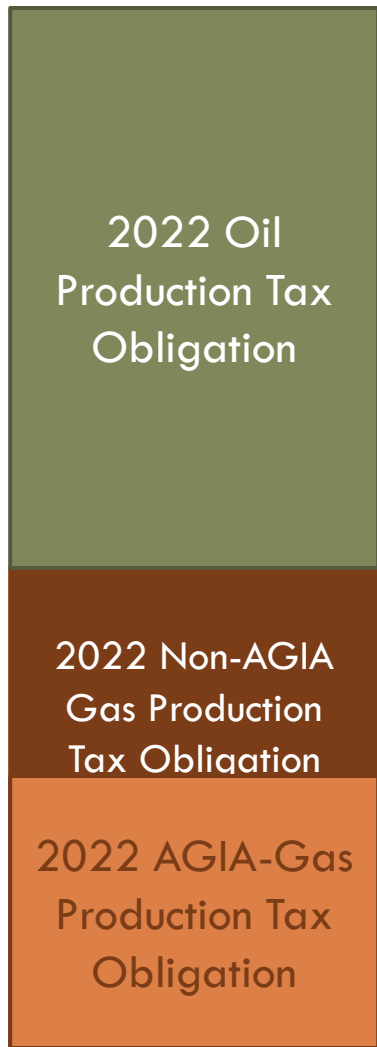
Alaska Department of Revenue

The Status Quo Remains in Place through development of the gasline... In 2022, the Legislature Separates Oil and Gas Production Taxes...

A Taxpayer that Qualifies for the AGIA Tax Exemption (43.90.320) would:

1) Calculate their 2022
Production Tax
Obligation for the AGIA-
Gas*

“AGIA-Gas”
Is gas that is shipped via
pipeline capacity acquired in
the first binding open season
for the AGIA gasline



2) Calculate their 2010
Combined Oil and Gas
Production Tax Obligation

3) Use Formula in
AGIA Regulations to
Attribute the .320
AGIA-Gas Production
Tax Obligation



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In 2022, the Legislature Separates Oil and Gas Production Taxes...**

A Taxpayer that Qualifies for the AGIA Tax Exemption (43.90.320) would:

**4) Compare .320 AGIA-
Gas Production Tax
Obligation to the 2022
Obligation**



2022 AGIA-Gas
Production Tax
Obligation

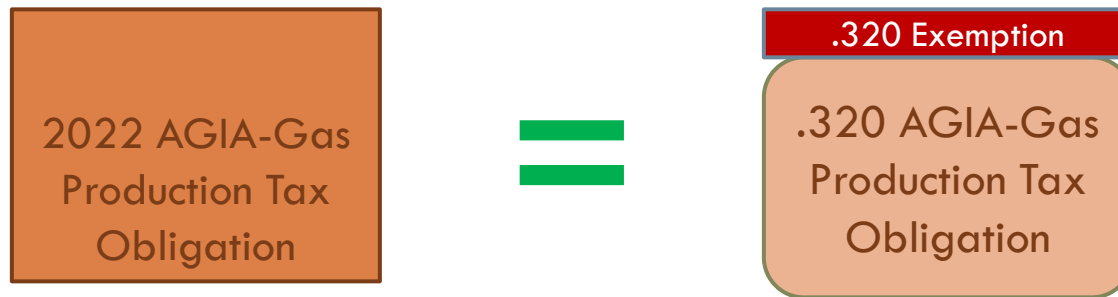
**5) If the 2022 Obligation is greater
than the 2010 Obligation
(i.e. the tax went up)...**

.320 AGIA-Gas
Production Tax
Obligation

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A Taxpayer that Qualifies for the AGIA Tax Exemption (43.90.320) would:

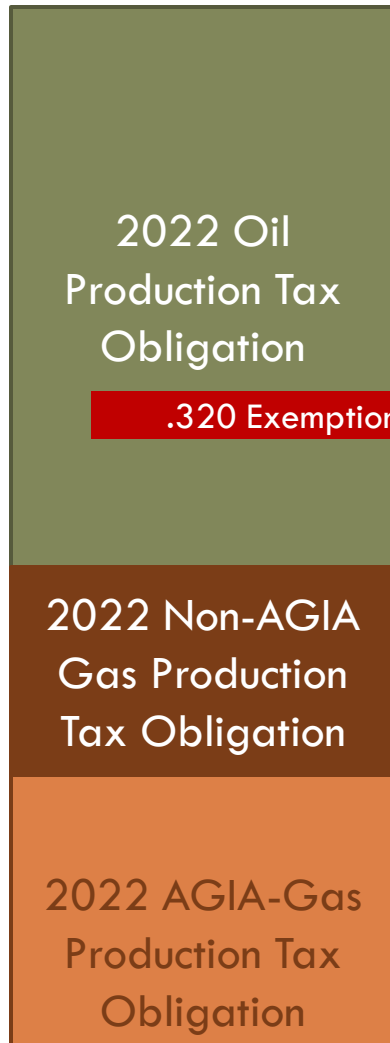
6) ...then the .320
Exemption is the
difference between the
two obligations



7) The 2022 AGIA-Gas Production Tax Obligation
is equal to the 2010
.320 AGIA-Gas Production Tax Obligation

**The Status Quo Remains in Place through development of the gasline...
In 2022, the Legislature Separates Oil and Gas Production Taxes...**

A Taxpayer that Qualifies for the AGIA Tax Exemption (43.90.320) would:



The 2022 Total Production Tax Obligation Could be Higher Than the 2010 Combined Production Tax Obligation

8) The .320 Exemption Reduces the 2022 Total Production Tax Obligation

