

ALASKA STATE LEGISLATURE

HOUSE FINANCE COMMITTEE

Representative Mike Hawker
Co-Chairman
(907) 465-4949
Fax: (907) 465-4979
Rep.Mike.Hawker@legis.state.ak.us

State Capitol, Rm 505
Juneau, AK 99801



Representative Bill Stoltze
Co-Chairman
(907) 465-4958
Fax: (907) 465-4928
Rep.Bill.Stoltze@legis.state.ak.us

State Capitol, Rm 515
Juneau, AK 99801

State Capitol, Juneau, Alaska 99801-1182

Summary of Changes between House Resources CS and Finance Work Draft

- 1) Timing window of moving between the one "bucket" and two "bucket" regimes has been removed.
- 2) AS 43.55.011(g)(3) and (p)(3): This is a technical change that adds clarity. It depicts the detailed methodology for deriving the progressivity factor so that it is clear the word "average" in the statute means weighted average.
- 3) AS 43.55.020(a): The section describing the calculation of the monthly installment payments has been repealed and reenacted. After all previous changes a more succinct drafting was crafted.
- 4) AS.55.160(a)(1) and (a)(2): This is an expansion on the current section describing the calculation of the annual and monthly production tax values. Lease expenditures include expenditures allocated under 160(f) (below) for the calendar year incurred to explore land not under lease, or explore or develop a lease before commencement of sustained production.
- 5) AS 43.55.160(f): This is a new section. Expenditures to explore land not under lease, or to explore or develop a lease before commencement of production of oil or gas, are allocated between oil and gas in the year the expenditure is incurred. (Method of allocation is specified in AS 43.55.165(h) [an amendment out of House Resources] stating that for allocating costs between oil and gas gross value should be used to the maximum extent possible.)
- 6) AS 43.55.160(g): This is a new section that clarifies that lease expenditures include expenditures for producing or that are incurred for exploration or development after the commencement of sustained production, as well.