

AMENDMENT # |

OFFERED IN THE HOUSE

TO: HB 110

BY REPRESENTATIVE FEIGE

1 Page 3, line 10:

2 Delete "as of December 31, 2010, was or had previously been"

3 Insert "on December 31, 2008, was"

adopted

U.C.

Adopted
U.C.

27-GH1007\A.36
Bullock
2/24/11

AMENDMENT #2

OFFERED IN THE HOUSE
TO: HB 110

BY REPRESENTATIVE SEATON

1 Page 1, line 6, following "**production**":

2 Insert "**relating to certain additional nontransferable oil and gas production tax**
3 **credits;**"

4
5 Page 12, following line 5:

6 Insert new bill sections to read:

7 "*** Sec. 17.** AS 43.55.024(b) is amended to read:

8 (b) A producer may not take a tax credit under (a) of this section for any
9 calendar year after the later of

10 (1) **2021** [2016]; or

11 (2) the ninth calendar year after the calendar year during which the
12 producer first has commercial oil or gas production before May 1, **2021** [2016], from
13 at least one lease or property in the state outside the Cook Inlet sedimentary basin, no
14 part of which is north of 68 degrees North latitude, if the producer did not have
15 commercial oil or gas production from a lease or property in the state outside the Cook
16 Inlet sedimentary basin, no part of which is north of 68 degrees North latitude, before
17 April 1, 2006.

18 *** Sec. 18.** AS 43.55.024(d) is amended to read:

19 (d) A producer may not take a tax credit under (c) of this section for any
20 calendar year after the later of

21 (1) **2021** [2016]; or

22 (2) if the producer did not have commercial oil or gas production from
23 a lease or property in the state before April 1, 2006, the ninth calendar year after the

calendar year during which the producer first has commercial oil or gas production before May 1, 2021 [2016], from at least one lease or property in the state."

Renumber the following bill sections accordingly.

Page 16, line 10:

Delete "Sections 6 - 9 and 20"

Insert "Sections 6 - 9 and 22"

Page 16, line 12:

Delete "Section 19"

Insert "Section 21"

Page 16, line 20:

Delete "Sections 11, 12, 14 - 18, 24, and 25(a)"

Insert "Sections 11, 12, 14 - 16, 19, 20, 26, and 27(a)"

Page 16, line 21:

Delete "Sections 6 - 9, 20, and 25(b)"

Insert "Sections 6 - 9, 22, and 27(b)"

Page 16, line 22:

Delete "Sections 19 and 25(c)"

Insert "Sections 21 and 27(c)"

Page 16, line 23:

Delete "secs. 27 - 29"

Insert "secs. 29 - 31"

adopted uc

27-GH1007\A.3
Mischel/Bullock
2/23/11

AMENDMENT #3

OFFERED IN THE HOUSE

BY REPRESENTATIVE SEATON

TO: HB 110

1 Page 1, lines 4 - 5:

2 Delete "**for certain expenditures**"

3

4 Page 12, following line 5:

5 Insert a new bill section to read:

6 "*** Sec. 17.** AS 43.55.024(c) is amended to read:

7 (c) For a calendar year for which a producer's tax liability under
8 AS 43.55.011(e) exceeds zero before application of any credits under this chapter,
9 other than a credit under (a) of this section but after application of any credit under (a)
10 of this section, a producer that is qualified under (e) of this section and whose average
11 amount of oil and gas produced a day and taxable under AS 43.55.011(e) is less than
12 100,000 BTU equivalent barrels a day may apply a tax credit under this subsection
13 against that liability. A producer whose average amount of oil and gas produced a day
14 and taxable under AS 43.55.011(e) is

15 (1) not more than 50,000 BTU equivalent barrels may apply a tax
16 credit of not more than **\$15,000,000** [\$12,000,000] for the calendar year;

17 (2) more than 50,000 and less than 100,000 BTU equivalent barrels
18 may apply a tax credit of not more than **\$15,000,000** [\$12,000,000] multiplied by the
19 following fraction for the calendar year:

20
$$1 - [2 \times (AP - 50,000)] / 100,000$$

21 where AP = the average amount of oil and gas taxable under AS 43.55.011(e),
22 produced a day during the calendar year in BTU equivalent barrels."

23

1 Renumber the following bill sections accordingly.

2

3 Page 16, line 10:

4 Delete "Sections 6 - 9 and 20"

5 Insert "Sections 6 - 9 and 21"

6

7 Page 16, line 12:

8 Delete "Section 19"

9 Insert "Section 20"

10

11 Page 16, line 20:

12 Delete "Sections 11, 12, 14 - 18, 24, and 25(a)"

13 Insert "Sections 11, 12, 14 - 16, 18, 19, 25, and 26(a)"

14

15 Page 16, line 21:

16 Delete "Sections 6 - 9, 20, and 25(b)"

17 Insert "Sections 6 - 9, 21, and 26(b)"

18

19 Page 16, line 22:

20 Delete "Sections 19 and 25(c)"

21 Insert "Sections 20 and 26(c)"

22

23 Page 16, line 23:

24 Delete "secs. 27 - 29"

25 Insert "secs. 28 - 30"

adopted U.C.

AMENDMENT #4

OFFERED IN THE HOUSE
TO: HB 110

BY REPRESENTATIVE SEATON

1 Page 12, following line 5:

2 Insert new bill sections to read:

3 "* **Sec. 17.** AS 43.55.025(b) is amended to read:

4 (b) To qualify for the production tax credit under (a) of this section, an
5 exploration expenditure must be incurred for work performed after June 30, 2008, and
6 before July 1, 2021 [2016], and

7 (1) may be for seismic or other geophysical exploration costs not
8 connected with a specific well;

9 (2) if for an exploration well,

10 (A) must be incurred by an explorer that holds an interest in the
11 exploration well for which the production tax credit is claimed;

12 (B) may be for either a well that encounters an oil or gas
13 deposit or a dry hole;

14 (C) must be for a well that has been completed, suspended, or
15 abandoned at the time the explorer claims the tax credit under (f) of this
16 section; and

17 (D) must be for goods, services, or rentals of personal property
18 reasonably required for the surface preparation, drilling, casing, cementing,
19 and logging of an exploration well, and, in the case of a dry hole, for the
20 expenses required for abandonment if the well is abandoned within 18 months
21 after the date the well was spudded;

22 (3) may not be for administration, supervision, engineering, or lease
23 operating costs; geological or management costs; community relations or

1 environmental costs; bonuses, taxes, or other payments to governments related to the
 2 well; costs, including repairs and replacements, arising from or associated with fraud,
 3 wilful misconduct, gross negligence, criminal negligence, or violation of law,
 4 including a violation of 33 U.S.C. 1319(c)(1) or 1321(b)(3) (Clean Water Act); or
 5 other costs that are generally recognized as indirect costs or financing costs; and

6 (4) may not be incurred for an exploration well or seismic exploration
 7 that is included in a plan of exploration or a plan of development for any unit before
 8 May 14, 2003.

9 * **Sec. 18.** AS 43.55.025(k) is amended to read:

10 (k) Subject to the terms and conditions of this section, if a claim is filed under
 11 (f)(1) of this section before January 1, 2021 [2016], a credit against the production tax
 12 levied by AS 43.55.011(e) is allowed in an amount equal to five percent of an eligible
 13 expenditure under this subsection incurred for seismic exploration performed before
 14 July 1, 2003. To be eligible under this subsection, an expenditure must

15 (1) have been for seismic exploration that

16 (A) obtained data that the commissioner of natural resources
 17 considers to be in the best interest of the state to acquire for public distribution;
 18 and

19 (B) was conducted outside the boundaries of a production unit;
 20 however, the amount of the expenditure that is otherwise eligible under this
 21 section is reduced proportionately by the portion of the seismic exploration
 22 activity that crossed into a production unit; and

23 (2) qualify under (b)(3) of this section."
 24

25 Renumber the following bill sections accordingly.
 26

27 Page 16, line 10:

28 Delete "Sections 6 - 9 and 20"

29 Insert "Sections 6 - 9 and 22"
 30

31 Page 16, line 12:

1 Delete "Section 19"

2 Insert "Section 21"

3

4 Page 16, line 20:

5 Delete "Sections 11, 12, 14 - 18, 24, and 25(a)"

6 Insert "Sections 11, 12, 14 - 16, 19, 20, 26, and 27(a)"

7

8 Page 16, line 21:

9 Delete "Sections 6 - 9, 20, and 25(b)"

10 Insert "Sections 6 - 9, 22, and 27(b)"

11

12 Page 16, line 22:

13 Delete "Sections 19 and 25(c)"

14 Insert "Sections 21 and 27(c)"

15

16 Page 16, line 23:

17 Delete "secs. 27 - 29"

18 Insert "secs. 29 - 31"

*adopted
U.C.*

27-GH1007\A.6
Mischel/Bullock
2/23/11

AMENDMENT #5 as amended

OFFERED IN THE HOUSE
TO: HB 110

BY REPRESENTATIVE SEATON

1 Page 16, line 8:

2 Delete "Sections 11, 12, 15, and 16"

3 Insert "Sections 15 and 16"

4

5 Page 16, line 20:

6 Delete "Sections 11, 12, 14 - 18, 24, and 25(a)"

7 Insert "Sections 14 - 18, 24, and 25(a)"

8

9 Page 16, following line 22:

10 Insert a new bill section to read:

11 **"* Sec. 30.** Sections 11 and 12 of this Act take effect immediately under AS 01.10.070(c)."

12

13 Renumber the following bill section accordingly.

14

15 Page 16, line 23:

16 Delete "secs. 27 - 29"

17 Insert "secs. 27 - 30"

*Concept
Amend* →

*make this prov retro
to Jan 1 - 2011.*

*amend
to amend
U.C.*

adopted

27-GH1007\A.19
Bullock
2/23/11

AMENDMENT #60

OFFERED IN THE HOUSE
TO: HB 110

BY REPRESENTATIVE SEATON

1 Page 12, following line 5:

2 Insert new bill sections to read:

3 **** Sec. 17.** AS 43.55.025(a) is amended to read:

4 (a) Subject to the terms and conditions of this section, a credit against the
5 production tax levied by AS 43.55.011(e) is allowed for exploration expenditures that
6 qualify under (b) of this section in an amount equal to one of the following:

7 (1) 30 percent of the total exploration expenditures that qualify only
8 under (b) and (c) of this section;

9 (2) 30 percent of the total exploration expenditures that qualify only
10 under (b) and (d) of this section;

11 (3) 40 percent of the total exploration expenditures that qualify under
12 (b), (c), and (d) of this section;

13 (4) 40 percent of the total exploration expenditures that qualify only
14 under (b) and (e) of this section; [OR]

15 (5) 80, 90, or 100 percent, or a lesser amount described in (f) of this
16 section, of the total exploration expenditures described in (b)(1) and (2) of this section
17 and not excluded by (b)(3) and (4) of this section that qualify only under (f) of this
18 section; or

19 (6) 30 percent of the total exploration expenditures that qualify
20 only under (b) and (n) of this section.

21 *** Sec. 18.** AS 43.55.025 is amended by adding a new subsection to read:

22 (n) To be eligible for the 30 percent production tax credit authorized by (a)(6)
23 of this section, exploration expenditures must be for a well drilled north of 68 degrees

1 North latitude that is

2 (1) outside of a unit; or

3 (2) within a unit formed after June 30, 2008, and the exploration
4 expenditures are incurred before the later of the date that is four years after the date
5 the

6 (A) unit is formed; or

7 (B) first exploration well is drilled on a lease or property that is
8 within the unit."
9

10 Renumber the following bill sections accordingly.

11
12 Page 16, line 8:

13 Delete "Sections 11, 12, 15, and 16"

14 Insert "Sections 11, 12, and 15 - 18"

15
16 Page 16, line 10:

17 Delete "Sections 6 - 9 and 20"

18 Insert "Sections 6 - 9 and 22"

19
20 Page 16, line 12:

21 Delete "Section 19"

22 Insert "Section 21"

23
24 Page 16, line 20:

25 Delete "Sections 11, 12, 14 - 18, 24, and 25(a)"

26 Insert "Sections 11, 12, 14 - 20, 26, and 27(a)"
27

28 Page 16, line 21:

29 Delete "Sections 6 - 9, 20, and 25(b)"

30 Insert "Sections 6 - 9, 22, and 27(b)"
31

1 Page 16, line 22:

2 Delete "Sections 19 and 25(c)"

3 Insert "Sections 21 and 27(c)"

4

5 Page 16, line 23:

6 Delete "secs. 27 - 29"

7 Insert "secs. 29 - 31"

adopted
U.C.

as
amended

27-GH1007\A.38
Bullock
2/15/11

AMENDMENT #7

OFFERED IN THE HOUSE

BY REPRESENTATIVE PEGGY WILSON

TO: HB 110

1 Page 1, line 7, following "values;":

2 Insert "**relating to the disclosure of certain tax information;**"

3

4 Page 15, following line 15:

5 Insert a new bill section to read:

6 "*** Sec. 21.** AS 43.55.890 is amended to read:

7 **Sec. 43.55.890. Disclosure of tax information.** Notwithstanding any contrary
8 provision of AS 40.25.100, and regardless of whether the information is considered
9 under AS 43.05.230(e) to constitute statistics classified to prevent the identification of
10 particular returns or reports, the department may publish the following information
11 under this chapter, if aggregated among three or more producers or explorers,
12 showing, by month or calendar year and by lease or property, unit, or area of the state:

13 (1) the amount of oil or gas production;

14 (2) the amount of taxes levied under this chapter or paid under this
15 chapter;

16 (3) the effective tax rates under this chapter;

17 (4) the gross value of oil or gas at the point of production;

18 (5) the transportation costs for oil or gas;

19 (6) qualified capital expenditures, as defined in AS 43.55.023;

20 (7) exploration expenditures under AS 43.55.025;

21 (8) production tax values of oil or gas under AS 43.55.160;

22 (9) lease expenditures under AS 43.55.165;

23 (10) adjustments to lease expenditures under AS 43.55.170;

(11) tax credits applicable or potentially applicable against taxes levied by this chapter; the information relating to tax credits under this paragraph, to the extent the information is available to the department, must include the statutory authority for each type of credit taken, the amount of credits taken under each statute authorizing a tax credit, and whether the credit is for an expenditure related to oil or gas exploration, development, or production, including the drilling of wells; performing work on existing wells; conducting geological or geophysical exploration; acquiring, constructing, or installing new facilities or equipment; and maintaining, repairing, or replacing existing facilities or equipment."

Renumber the following bill sections accordingly.

Page 16, following line 19:

Insert a new bill section to read:

**** Sec. 28.** Section 21 of this Act takes effect immediately under AS 01.10.070(c)."

Jan 1 2012

Renumber the following bill sections accordingly.

Page 16, line 20:

Delete "Sections 11, 12, 14 - 18, 24, and 25(a)"

Insert "Sections 11, 12, 14 - 18, 25, and 26(a)"

Page 16, line 21:

Delete "Sections 6 - 9, 20, and 25(b)"

Insert "Sections 6 - 9, 20, and 26(b)"

Page 16, line 22:

Delete "Sections 19 and 25(c)"

Insert "Sections 19 and 26(c)"

Concept #1 adopted U.C.
↓

- 1 Page 16, line 23:
- 2 Delete "secs. 27 - 29"
- 3 Insert "secs. 28 - 31"