

State of Alaska

Department of Revenue
Commissioner's Office



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The Honorable Joe Paskvan
Alaska State Senator
State Capitol, Room 115
Juneau, AK 99801

April 6, 2011

Re: Answers to questions posed April 4, 2011

Dear Senator Paskvan:

The purpose of this document is to respond to the questions posed in an email from Jeff Stepp of your office dated April 4, 2011. The requests/questions and responses follow.

1. For the years 2005 – 2011*, how much (gross dollars) are the capital expenditures by operators with production tax liability?
2. For the years 2005 – 2011*, how much are the capital expenditures by operators with some production tax liability but whose liability for that tax was reduced to zero with credits?
3. For the years 2005 – 2011*, how much are the capital expenditures by operators with no production and, therefore, no tax liability?
4. What is the specific number of companies that fit into each of the above categories in each of the years?
5. What is the total number of operators reporting taxes in each of those years (2005 – 2011*)?
6. Please identify the names of the operators in each of the categories in each of the years.
7. For the years 2005 – 2011*, name the operators filing reports.

The Department of Revenue began receiving capital and operating expenditure data with the passage of PPT, which became effective in FY 2007. The department has since that time received monthly information forms and annual tax returns from oil and gas companies in the state. The department has a relatively solid data set for FY 2007 through FY 2010, and can provide information about those years. The data are limited to expenditures on the North Slope. Due to confidentiality constraints, we can provide information only about companies with production and companies with no production. We cannot disclose taxpayer-specific information, therefore we cannot provide answers to questions 5 – 8.

The table below provides the information we could compile for questions 1 – 4 above.

| North Slope Capital Expenditures and Number of Companies with and without production, FY07 - FY10 | | | | | | |
|--|---|---|--|--|--|--------------------------------------|
| Fiscal Year | North Slope Capital Expenditures by Companies with Production | Number of Companies with Production - North Slope | North Slope Capital Expenditures by Companies with No Production | Number of Companies with No Production - North Slope | North Slope Capital Expenditures - All Companies | Total Number Companies - North Slope |
| 2007 | \$1,713,888,686 | 5 | \$388,085,401 | 13 | \$2,101,974,087 | 18 |
| 2008 | \$1,494,140,538 | 6 | \$477,661,229 | 18 | \$1,971,801,768 | 24 |
| 2009 | \$2,108,129,331 | 8 | \$103,848,115 | 12 | \$2,211,977,446 | 20 |
| 2010 | \$2,336,081,390 | 9 | \$52,611,147 | 11 | \$2,388,692,537 | 20 |

8. What is the amount of credits refunded for FY05 – FY 11, and what are the forecasted credits refunded for FY12 and forward?

Credits became refundable with the passage of PPT beginning in FY 2007. The amounts of credits refunded in each of the years since then, and forecasted for FY 2012 is shown below. We do not attempt to estimate refundable credits on a forecast basis further out than one year from the current date.

FY 2007 = \$54.6 million
FY 2008 = \$54.1 million
FY 2009 = \$193.1 million
FY 2010 = \$250.5 million
FY 2011 = \$430.0 million
FY 2012 = \$400.0 million
TOTAL = \$1,382 million

We hope our responses fully answer your questions.

Sincerely,


Bruce Tangeman
Deputy Commissioner