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REPRESENTATIVE PAUL SEATON HOUSE DISTRICT 30

HB 230 Sectional Analysis Version: 28-LS1053\U

Section 1 - Legislative findings language.

Section 2 - Establishes an oil or gas processing tax credit against the Corporate Income Tax for expenditures for the construction or improvement of an oil or gas processing facility. Combined with the qualified oil and gas service industry expenditure credit at AS 43.20.049 this credit is capped at \$10 million per tax year.

Section 3 - Authorizes the Alaska Industrial Development and Export Authority to issue bonds to finance an oil or gas processing facility.

Section 4 - Establishes that projects financed under the provisions of the bill are not exempt from municipal or other taxation.

Section 5 – Establishes the oil and gas infrastructure fund. The fund consists of money appropriated to the authority to be accounted for separately from the revolving fund. Projects financed by the oil and gas infrastructure fund are not exempt from taxation. Defines oil and gas processing facility to include facilities

that convert gas to liquid by chemical conversion (GTL) as opposed to phase conversion (LNG).

Section 6 – Provides legislative approval for the issuance of up to \$200 million in principal bonds for North Slope oil or gas processing facilities and infrastructure. AIDEA's \$400 million annual bonding cap does not apply to oil and gas projects financed under this bill.