

Fiscal Note

State of Alaska
2014 Legislative Session

Bill Version: SB 192
Fiscal Note Number: _____
() Publish Date: _____

Identifier: SB192-DOR-TAX-04-08-14
Title: OIL & GAS PRODUCTION TAX RATE/CREDIT
Sponsor: STEDMAN
Requester: S RES

Department: Department of Revenue
Appropriation: Taxation and Treasury
Allocation: Tax Division
OMB Component Number: 2476

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below.

(Thousands of Dollars)

	FY2015 Appropriation Requested	Included in Governor's FY2015 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY 2015	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues	***		***	***	***	***	***
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Estimated SUPPLEMENTAL (FY2014) cost: 0.0 (separate supplemental appropriation required)
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2015) cost: 0.0 (separate capital appropriation required)
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version:

Initial version.

Prepared By: Matt Fonder, Director
Division: Tax
Approved By: Angela M. Rodell, Commissioner
Agency: Department of Revenue

Phone: (907)269-6628
Date: 04/08/2014 01:00 PM
Date: 04/08/14

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2014 LEGISLATIVE SESSION

BILL NO. SB 192

Analysis

Bill Language:

This bill would amend certain DOR statutes relating to oil and gas production taxes, and would raise the minimum tax on North Slope oil and gas from 4% of gross value at the point of production (GVPP) to 15% of the GVPP, when ANS prices are more than \$25/barrel.

The bill also reduces the sliding scale credit included in AS 43.55.024(j), cutting it in half.

Revenues:

The revenue impacts of this bill are indeterminate.

Based on DOR's current forecast, raising the minimum tax to 15% of GVPP when ANS prices are more than \$25/barrel, would not have an effect on state revenues.

The department's analysis indicates that at current forecast levels, the sliding scale credit portion of this bill, would increase state revenues by \$250-\$500 million each year.

Expenditures:

The department can implement the provisions of this bill with existing resources.

Regulations:

N/A