

AMENDMENT

OFFERED IN THE SENATE

TO: CSSB 21(RES), Draft Version "N"

Page 11, following line 18:

Insert a new bill section to read:

"* Sec. 9. AS 43.55.023(a), as amended by sec. 8 of this Act, is amended to read:

(a) **Except as provided in AS 43.55.025(q), a** [A] producer or explorer may take a tax credit for a qualified capital expenditure as follows:

(1) notwithstanding that a qualified capital expenditure may be a deductible lease expenditure for purposes of calculating the production tax value of oil and gas under AS 43.55.160(a), unless a credit for that expenditure is taken under AS 38.05.180(i), AS 41.09.010, AS 43.20.043, or AS 43.55.025, a producer or explorer that incurs a qualified capital expenditure may also elect to apply a tax credit against a tax levied by AS 43.55.011(e) in the amount of 20 percent of that expenditure;

(2) a producer or explorer may take a credit for a qualified capital expenditure incurred in connection with geological or geophysical exploration or in connection with an exploration well only if the producer or explorer

(A) agrees, in writing, to the applicable provisions of AS 43.55.025(f)(2); and

(B) submits to the Department of Natural Resources all data that would be required to be submitted under AS 43.55.025(f)(2);

(3) a credit for a qualified capital expenditure incurred to explore for, develop, or produce oil or gas deposits located north of 68 degrees North latitude may be taken only if the expenditure is incurred before January 1, 2014."

1 Renumber the following bill sections accordingly.

2
3 Page 11, line 20, following "in":

4 Insert "AS 43.55.025(q) and"

5
6 Page 12, line 30:

7 Delete "sec. 11"

8 Insert "sec. 12"

9
10 Page 20, following line 28:

11 Insert a new bill section to read:

12 "*** Sec. 22.** AS 43.55.025 is amended by adding a new subsection to read:

13 (q) An exploration expenditure incurred after December 31, 2013, to explore
14 for oil or gas located north of 68 degrees North latitude that is the basis for a credit
15 under (a)(1), (2), or (3) of this section may not also be the basis for a credit claimed
16 under AS 43.55.023 or this section."

17
18 Renumber the following bill sections accordingly.

19
20 Page 30, line 2:

21 Delete "26 - 28"

22 Insert "28 - 30"

23
24 Page 30, line 4:

25 Delete "25"

26 Insert "27"

27
28 Page 30, line 6:

29 Delete "11, 13, and 14"

30 Insert "12, 14, and 15"

1 Page 30, line 8:

2 Delete "Sections 9, 10, 12, 15, and 24"

3 Insert "Sections 9 - 11, 13, 16, 22, and 26"

4

5 Page 30, line 14:

6 Delete "sec. 29"

7 Insert "sec. 31"

8

9 Page 30, line 27:

10 Delete "11, 13, 14, 21, 25, and 30"

11 Insert "12, 14, 15, 23, 27, and 32"

12

13 Page 30, line 29:

14 Delete "9, 10, 12, 15, 17, 18, 24, and 26 - 28"

15 Insert "9 - 11, 13, 16, 18, 19, 22, 26, and 28 - 30"

16

17 Page 30, line 31:

18 Delete "sec. 37"

19 Insert "sec. 39"