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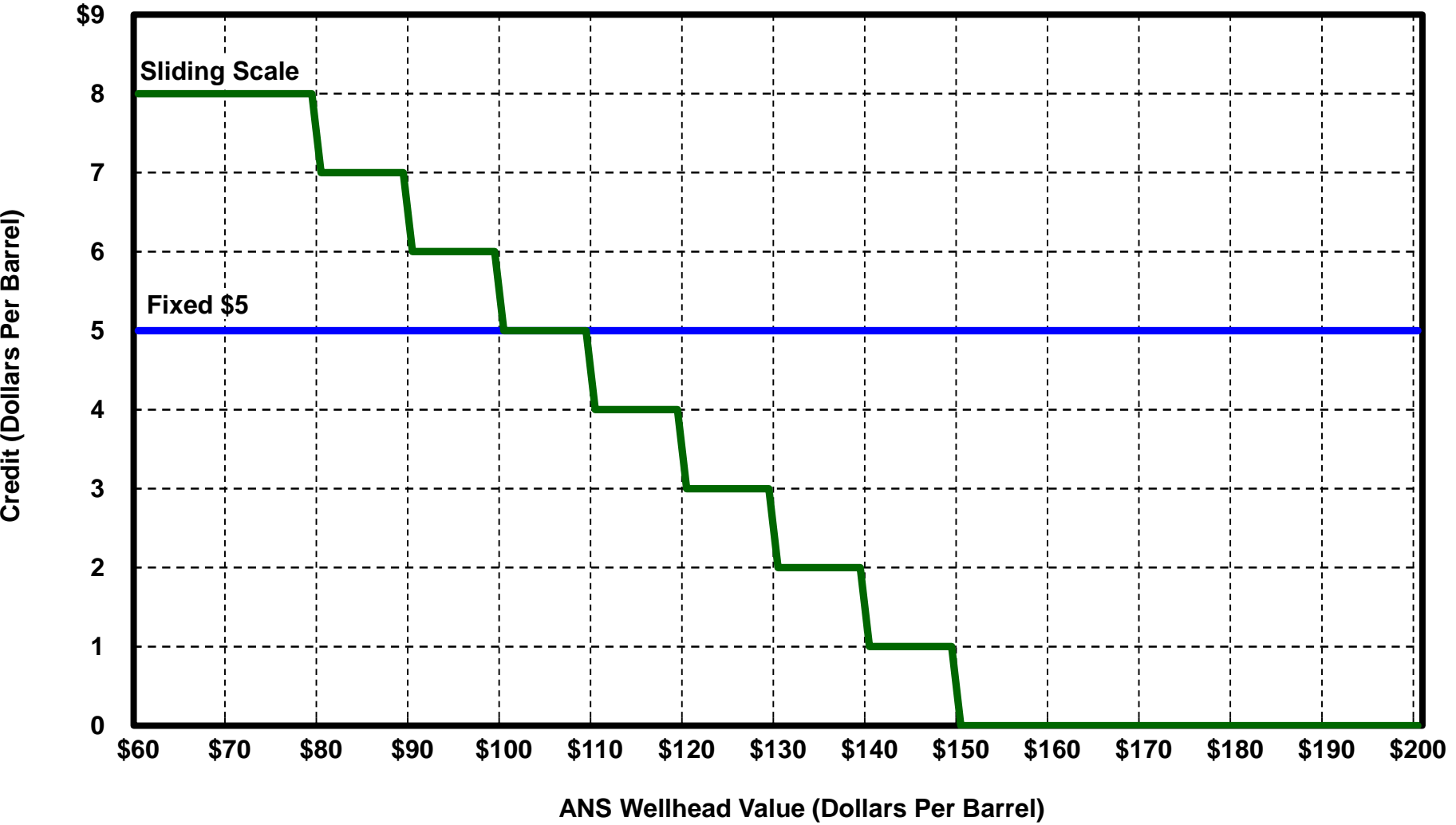
# **ACES, CS SB21 (FIN) and HCS SB21 (RES) Working Draft**

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# Per-Barrel Credits

## Non-GVR Volumes (Sliding Scale) v. GVR Volumes (Fixed)



# Tax Calculation Using Sliding Scale Production Credit (Volumes Not Subject to Gross Value Reduction)

West Coast Price (\$/Bbl)		\$60.00	\$70.00	\$80.00	\$90.00	\$100.00	\$110.00	\$120.00	\$130.00	\$140.00	\$150.00	\$160.00
Transportation (\$/Bbl)	-	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Gross Value (\$/Bbl)	=	\$50.00	\$60.00	\$70.00	\$80.00	\$90.00	\$100.00	\$110.00	\$120.00	\$130.00	\$140.00	\$150.00
Lease Expenditures (\$/Bbl)	-	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00
Per-Barrel Taxable Value (\$/Bbl)	=	\$20.00	\$30.00	\$40.00	\$50.00	\$60.00	\$70.00	\$80.00	\$90.00	\$100.00	\$110.00	\$120.00
Taxable Barrels (Bbls)	x	100	100	100	100	100	100	100	100	100	100	100
Total Production Tax Value (\$)	=	\$2,000	\$3,000	\$4,000	\$5,000	\$6,000	\$7,000	\$8,000	\$9,000	\$10,000	\$11,000	\$12,000
Tax Rate (Percent)	x	35%	35%	35%	35%	35%	35%	35%	35%	35%	35%	35%
Production Tax Before Credit (\$)	=	\$700	\$1,050	\$1,400	\$1,750	\$2,100	\$2,450	\$2,800	\$3,150	\$3,500	\$3,850	\$4,200
Per Barrel Production Credit (\$/Bbl)		\$8.00	\$8.00	\$8.00	\$7.00	\$6.00	\$5.00	\$4.00	\$3.00	\$2.00	\$1.00	\$0.00
Total Production Credit (\$)	-	\$800	\$800	\$800	\$700	\$600	\$500	\$400	\$300	\$200	\$100	\$0
Production Tax After Credit (\$)	=	\$0	\$250	\$600	\$1,050	\$1,500	\$1,950	\$2,400	\$2,850	\$3,300	\$3,750	\$4,200
Effective Tax Rate After Credit (%)		0.0%	8.3%	15.0%	21.0%	25.0%	27.9%	30.0%	31.7%	33.0%	34.1%	35.0%
Effective Tax Rate on Gross Value (%)		0.0%	4.2%	8.6%	13.1%	16.7%	19.5%	21.8%	23.8%	25.4%	26.8%	28.0%

# Tax Calculation Using Fixed \$5 Production Credit (Volumes Subject to Gross Value Reduction)

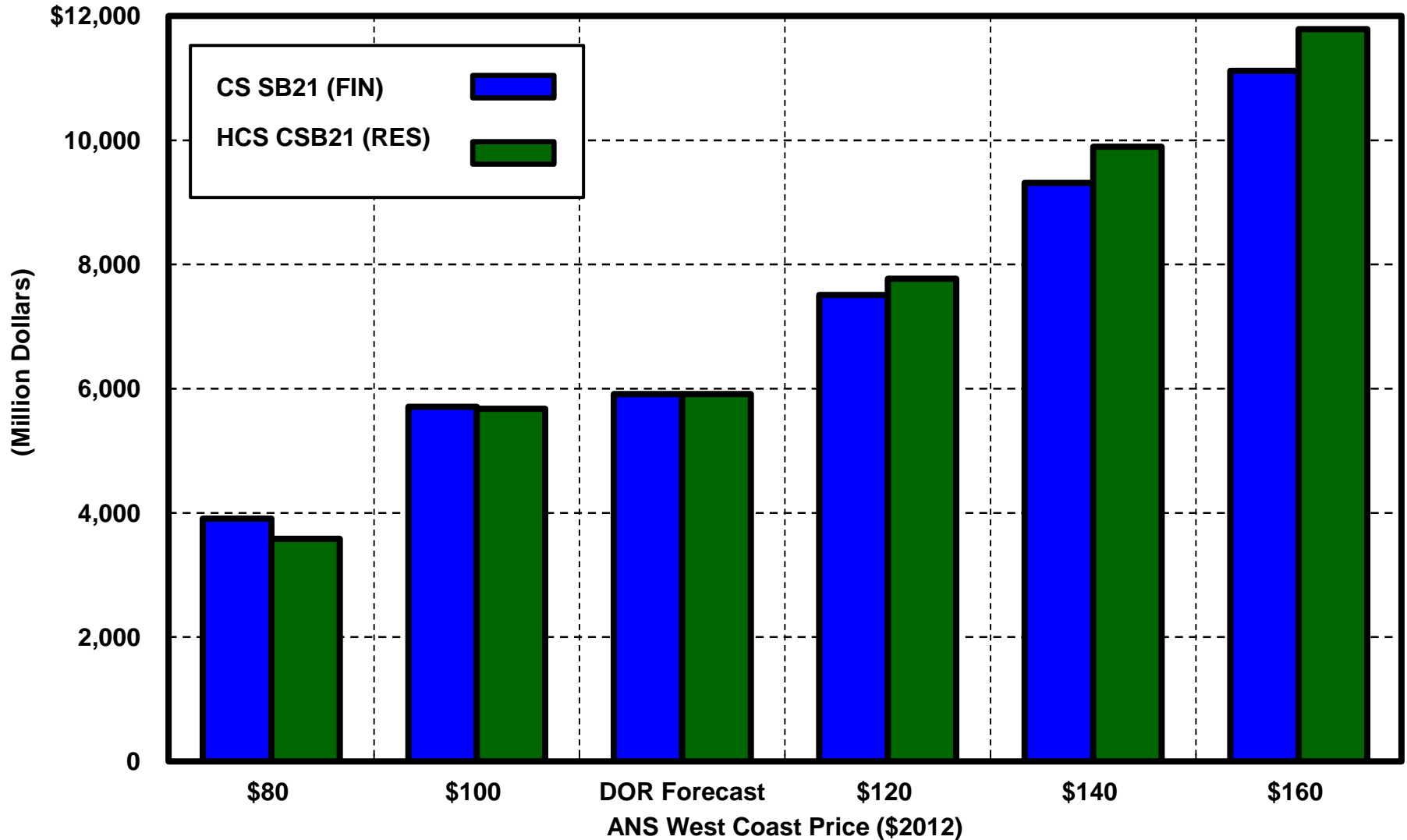
West Coast Price (\$/Bbl)		\$60.00	\$70.00	\$80.00	\$90.00	\$100.00	\$110.00	\$120.00	\$130.00	\$140.00	\$150.00	\$160.00
Transportation (\$/Bbl)	-	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Gross Value (\$/Bbl)	=	\$50.00	\$60.00	\$70.00	\$80.00	\$90.00	\$100.00	\$110.00	\$120.00	\$130.00	\$140.00	\$150.00
Lease Expenditures (\$/Bbl)	-	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00
Per-Barrel Taxable Value (\$/Bbl)	=	\$20.00	\$30.00	\$40.00	\$50.00	\$60.00	\$70.00	\$80.00	\$90.00	\$100.00	\$110.00	\$120.00
Taxable Barrels (Bbls)	x	100	100	100	100	100	100	100	100	100	100	100
Total Production Tax Value (\$)	=	\$2,000	\$3,000	\$4,000	\$5,000	\$6,000	\$7,000	\$8,000	\$9,000	\$10,000	\$11,000	\$12,000
Gross Value Reduction (%)		20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%
Gross Value Net of GVR (\$/Bbl)		\$40.00	\$48.00	\$56.00	\$64.00	\$72.00	\$80.00	\$88.00	\$96.00	\$104.00	\$112.00	\$120.00
Lease Expenditures (\$/Bbl)	-	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00
Per-Barrel Taxable Value Net of GVR (\$/Bbl)	=	\$10.00	\$18.00	\$26.00	\$34.00	\$42.00	\$50.00	\$58.00	\$66.00	\$74.00	\$82.00	\$90.00
Taxable Barrels (Bbls)	x	100	100	100	100	100	100	100	100	100	100	100
Total Production Tax Value (\$)	=	\$1,000	\$1,800	\$2,600	\$3,400	\$4,200	\$5,000	\$5,800	\$6,600	\$7,400	\$8,200	\$9,000
Tax Rate (Percent)	x	35%	35%	35%	35%	35%	35%	35%	35%	35%	35%	35%
Production Tax Before Credit (\$)	=	\$350	\$630	\$910	\$1,190	\$1,470	\$1,750	\$2,030	\$2,310	\$2,590	\$2,870	\$3,150
Per Barrel Production Credit (\$/Bbl)		\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00
Total Production Credit (\$)	-	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500
Production Tax After Credit (\$)	=	\$0	\$130	\$410	\$690	\$970	\$1,250	\$1,530	\$1,810	\$2,090	\$2,370	\$2,650
Effective Tax Rate After Credit (%)		0.0%	4.3%	10.3%	13.8%	16.2%	17.9%	19.1%	20.1%	20.9%	21.5%	22.1%
Effective Tax Rate on Gross Value (%)		0.0%	2.2%	5.9%	8.6%	10.8%	12.5%	13.9%	15.1%	16.1%	16.9%	17.7%

# Average Government Take for All Existing Producers (FY2015-FY2019)

\$2012 ANS WC Price (\$2012 /Bbl)	Government Take		
	35%/ Sliding Scale	35% / \$5	ACES
	(Percent)		
(1)	(2)	(3)	(4)
\$60	57.8%	63.0%	61.6%
\$70	59.8%	63.7%	62.2%
\$80	61.6%	64.1%	64.1%
\$90	63.1%	64.3%	66.2%
\$100	64.4%	64.5%	68.5%
\$110	65.3%	64.7%	70.7%
\$120	65.8%	64.8%	72.8%
\$130	66.4%	64.9%	73.8%
\$140	66.8%	65.0%	74.5%
\$150	67.0%	65.0%	75.1%
\$160	66.9%	65.1%	75.7%
\$170	66.8%	65.1%	76.3%
\$180	66.7%	65.2%	77.0%
\$190	66.7%	65.2%	77.6%
\$200	66.6%	65.2%	78.2%

# State Revenues

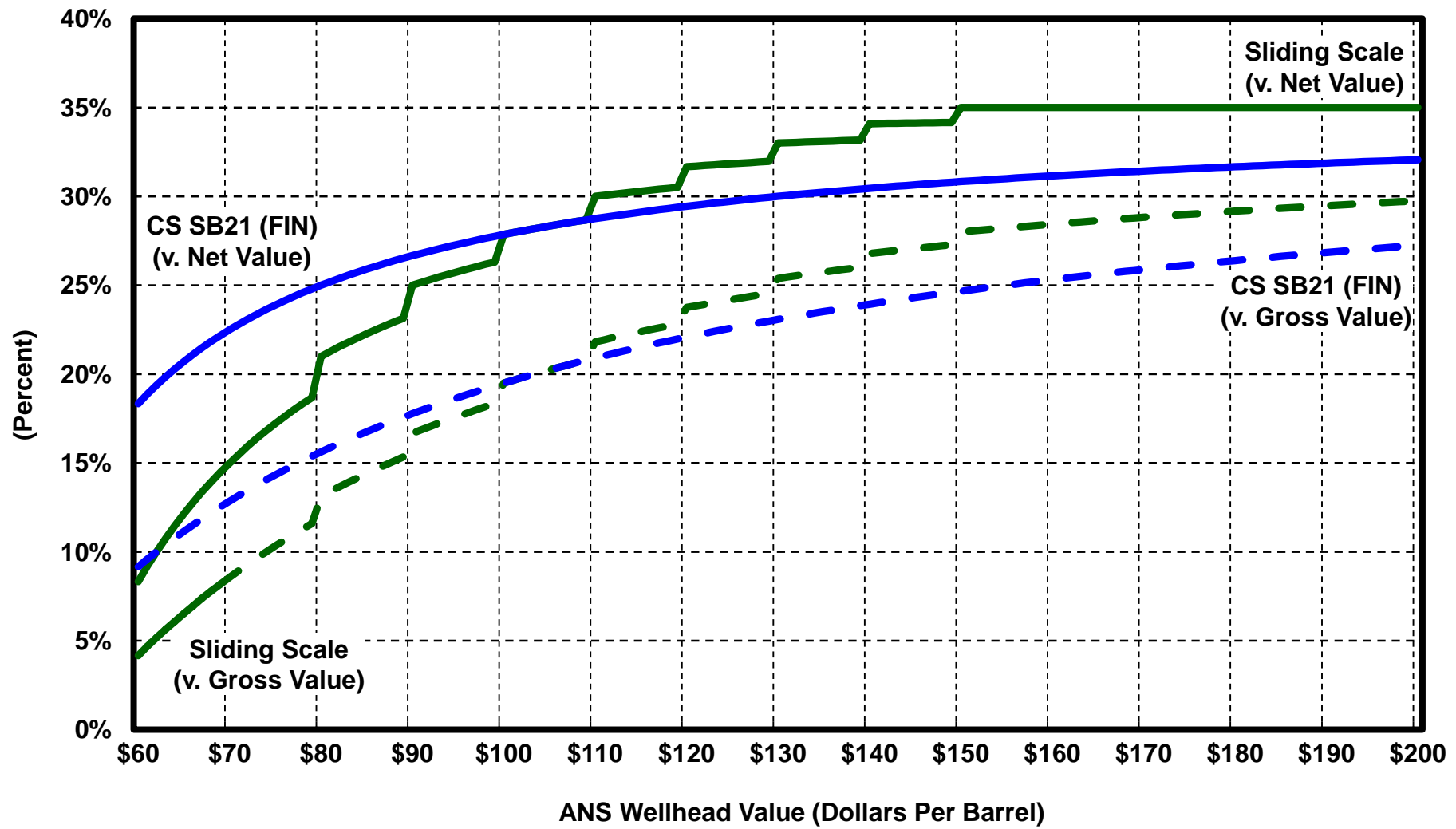
## CS SB21 (FIN) v. HCS CSB21 (RES) w/ Proposed Sliding Scale for All Existing Producers (Annual Average FY2015 - FY2019)



# Effective Tax Rate Comparison

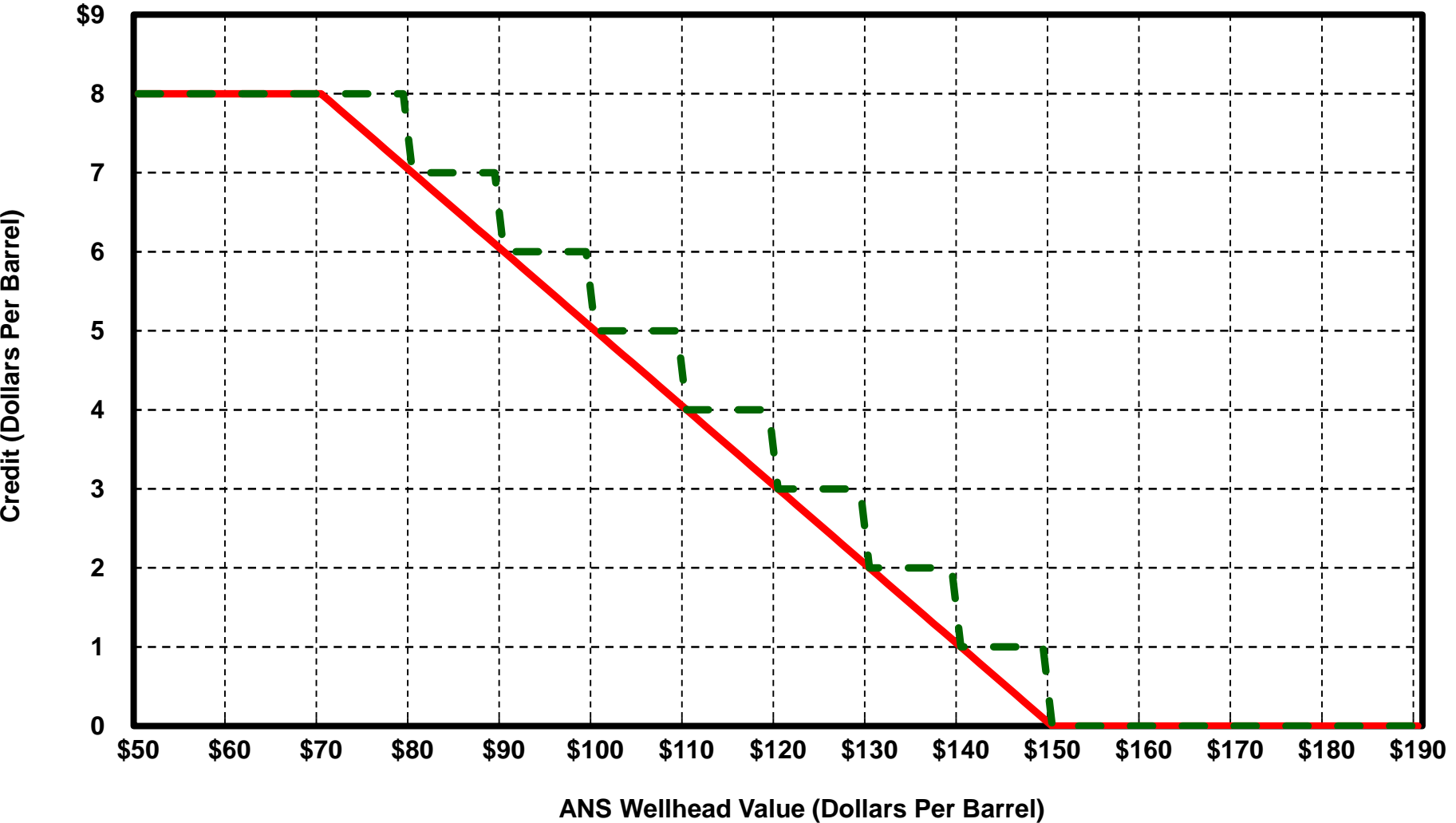
## CS SB21 (FIN) v. CS SB21 (FIN) with Sliding Credit Scale

(Volumes Not Subject to Gross Value Reduction)



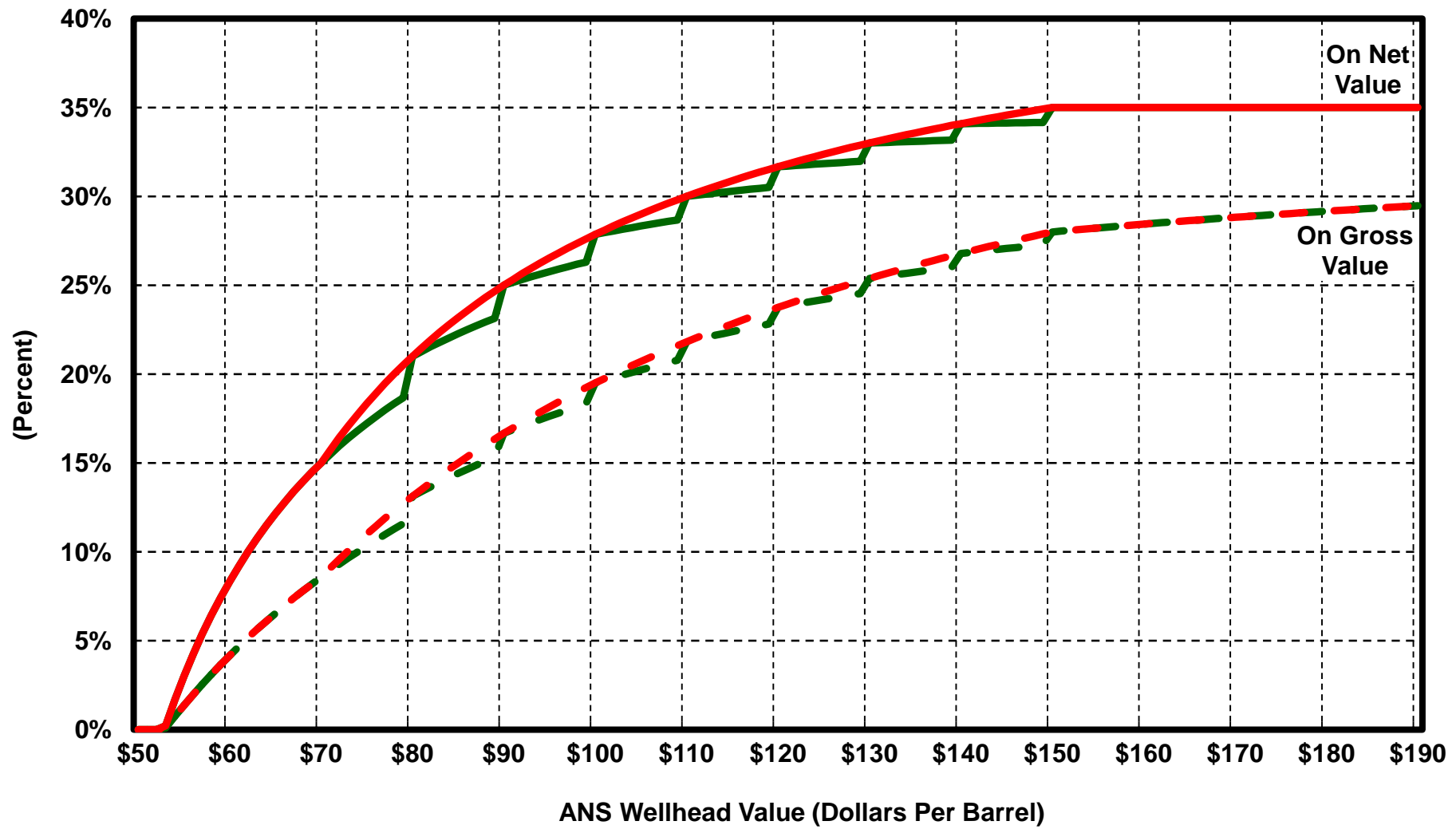
# Sliding Scale Credit

## Stair-Stepped v. Smoothed





# Tax Calculation Using Sliding Scale Production Credit (Volumes Not Subject to Gross Value Reduction) Effective Tax Rates



# Shares of Per-Barrel Values Under ACES and HCS CSB21 (RES) Using FY2012 Combined PBU/KPU Costs and Volumes

