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# House Resources Committee

**CSSB21**

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**ConocoPhillips Alaska**

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# Changes to ACES to Improve Alaska's Investment Climate

Issue	CSSB21
<ul style="list-style-type: none"> <li>• Eliminate progressivity</li> </ul>	<ul style="list-style-type: none"> <li>• Slightly progressive tax structure</li> </ul>
<ul style="list-style-type: none"> <li>• Create a flatter tax rate over a broad range of prices                             <ul style="list-style-type: none"> <li>➤ Producer and State share proportionately as prices fluctuate and margins change</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Improved over ACES</li> <li>• Fixes tax increase at lower prices relative to ACES (previous CS)</li> </ul>
<ul style="list-style-type: none"> <li>• Establish a tax structure creating an attractive investment climate                             <ul style="list-style-type: none"> <li>➤ Competitive tax rate</li> <li>➤ Provide the incentives to balance Alaska's high cost environment</li> <li>➤ Incentives for both legacy and new field investments</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Base rate too high</li> <li>• Lacks investment incentives inside legacy PA's</li> <li>• Has increased likelihood that PA expansions will receive the GRE</li> </ul>
<ul style="list-style-type: none"> <li>• Leads to increased investment</li> </ul>	<ul style="list-style-type: none"> <li>• New CS creates an environment that we believe will lead to increased investment and additional production.</li> </ul>