Revised 3-13-17 by Dept. of Revenue

2. No credits can reduce tax below the minimum tax effective 1/1/18. 3. Minimum tax inversed to 5% of GVPP a prices of 550 and above, and GVR reduces basis for minimum tax, a female 1/1/18 (for purposes of this fiscal note, assumes all outstanding credits are unded in F7 2018). 3. Minimum tax inversed to 5% of GVPP a prices of 550 and above, and GVR reduces basis for minimum tax, and the fiscal note, assumes all outstanding credits are tunded in F7 2018). 3. Size purchase or credits are unded in F7 2018). 3. Size purchase or credits of the fiscal note, assumes all outstanding credits are funded in F7 2018). 3. Size purchase of credits of production, effective 1/1/19 (frequency for the fiscal note) and the fiscal note of finding the first of the fiscal note o	Description of Provision	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
2. No credits can reduce tax below the minimum tax effective 1/1/18. 3. Minimum tax inversed to 5% of GVPP a prices of 550 and above, and GVR reduces basis for minimum tax, a female 1/1/18 (for purposes of this fiscal note, assumes all outstanding credits are unded in F7 2018). 3. Minimum tax inversed to 5% of GVPP a prices of 550 and above, and GVR reduces basis for minimum tax, and the fiscal note, assumes all outstanding credits are tunded in F7 2018). 3. Size purchase or credits are unded in F7 2018). 3. Size purchase or credits of the fiscal note, assumes all outstanding credits are funded in F7 2018). 3. Size purchase of credits of production, effective 1/1/19 (frequency for the fiscal note) and the fiscal note of finding the first of the fiscal note o											
3. Minimum tax increased to 5% of GVPP at prices of \$50 and above, and 6VR reduces basis for minimum tax, effective 1/1/18. \$20 \$65 \$60 \$60 \$65 \$65 \$60 \$50 \$50 \$50 \$50 \$50 \$50 \$50 \$50 \$50 \$5	deducted against tax. Carry-forward earns interest for up to 7 years.	\$0						\$0) \$(
Seffective 1/1/18 Section Se	· ·	\$20	\$15	\$0	\$0	\$0	\$0	\$0	-\$10) -\$25	5 -\$5
Solid Soli		\$20	\$65	\$60	\$60	\$65	\$65	\$65	\$60) \$50	\$50
BTU-equivalent barrels of production, effective 1/1/18. \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$		\$0	\$0	\$0	\$0	\$0) \$0	\$0) \$() \$(\$0
to zero when GVPP per barrel is \$110 and above, effective 1/1/18. 50 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0) \$() \$() \$0
8. Interest on delinquent taxes continues to accrue after 3 years, retroactive to 1/1/17. 9. No true-up of excess per-taxable-barrel credits effective 1/1/18. Additional impact of insplementing above provisions together vs standalone. \$5		\$0	\$0						\$65	5 \$70	
9. No true-up of excess per-taxable-barrel credits effective 1/1/18. 10. New "dry hole" credit of 15% of qualifying expenditures, effective 1/1/18. A Budget impact of implementing above provisions together vs standalone. 55 -\$5 \$0 \$0 \$0 \$0 \$0 \$50 \$120 \$112 A Budget impact of operating loss and carry-forward lease expenditures changes effective 1/1/18. 50 \$45 \$105 \$115 \$125 \$135 \$135 \$140 \$140 \$144 B. Budget impact of no credits can reduce tax below the minimum tax effective 1/1/18. 50 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0	7. Gross value at point of production (GVPP) cannot go below zero effective 1/1/18.	\$0	\$0	\$0	\$0	\$0	\$0	\$0) \$0) \$(\$0
10. New "dry hole" credit of 15% of qualifying expenditures, effective 1/1/18. S5 -\$5 \ \$0 \ \$0 \ \$0 \ \$0 \ \$0 \ \$0 \ \$0 \	8. Interest on delinquent taxes continues to accrue after 3 years, retroactive to 1/1/17.	Indeterminate - likely positive for state.									
Additional impact of implementing above provisions together vs standalone. \$5	9. No true-up of excess per-taxable-barrel credits effective 1/1/18.	No impact under forecast - could benefit state if prices are volatile.									
Section Sect	10. New "dry hole" credit of 15% of qualifying expenditures, effective 1/1/18.	Indeterminate									
A. Budget impact of operating loss and carry-forward lease expenditures changes effective 1/1/18. B. Budget impact of no credits can reduce tax below the minimum tax effective 1/1/18. B. Budget impact of no credits can reduce tax below the minimum tax effective 1/1/18. SO \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0	Additional impact of implementing above provisions together vs standalone.	\$5	-\$5	\$0	\$0	\$0	\$0	\$0	-\$30) \$25	\$5
B. Budget impact of no credits can reduce tax below the minimum tax effective 1/1/18. \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$	Total Revenue Impact	\$45	\$75	\$60	\$60	\$65	\$65	\$75	\$85	\$120	\$115
C. Budget impact of minimum tax changes effective 1/1/18. \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0	A. Budget impact of operating loss and carry-forward lease expenditures changes effective 1/1/18.	\$0	\$45	\$105	\$115	\$125	\$135	\$135	\$140) \$140	\$140
D. Budget impact of no cash repurchase for net NOL credits earned after 1/1/18. \$0 \$45 \$110 \$120 \$130 \$140 \$140 \$145 \$145 \$145 \$145 \$145 \$145 \$145 \$145	B. Budget impact of no credits can reduce tax below the minimum tax effective 1/1/18.	\$0	\$0	\$0	\$0	\$0	\$0	\$0) \$() \$(
E. Budget impact of new limits to credit repurchase eligibility, effective 1/1/18. \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$	C. Budget impact of minimum tax changes effective 1/1/18.	\$0	\$0	\$0	\$0	\$0	\$0	\$0) \$() \$(\$0
F. Budget impact of adjustments to sliding scale per-taxable-barrel credits, effective 1/1/18. \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$	D. Budget impact of no cash repurchase for net NOL credits earned after 1/1/18.	\$0	\$45	\$110	\$120	\$130	\$140	\$140	\$145	5 \$145	\$145
G. Budget impact of GVPP cannot go below zero effective 1/1/18. \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$	E. Budget impact of new limits to credit repurchase eligibility, effective 1/1/18.	\$0	\$0	\$0	\$0	\$0	\$0	\$0) \$() \$(
H. Budget impact of interest accrual changes, retroactive to 1/1/17. \$ 0 \$ 0 \$ 0 \$ 0 \$ 0 \$ 0 \$ 0 \$ 0 \$ 0 \$	F. Budget impact of adjustments to sliding scale per-taxable-barrel credits, effective 1/1/18.			\$0	\$0	\$0	\$0	\$0) \$() \$(
1. Budget impact of no true-up of excess per-taxable-barrel credits effective 1/1/18. \$0 <td>G. Budget impact of GVPP cannot go below zero effective 1/1/18.</td> <td>\$0</td> <td>\$0</td> <td>\$0</td> <td>\$0</td> <td>\$0</td> <td>\$0</td> <td>\$0</td> <td>) \$(</td> <td>) \$(</td> <td></td>	G. Budget impact of GVPP cannot go below zero effective 1/1/18.	\$0	\$0	\$0	\$0	\$0	\$0	\$0) \$() \$(
Description	H. Budget impact of interest accrual changes, retroactive to 1/1/17.										
Additional impact of implementing above provisions together vs standalone \$0 -\$25 -\$85 -\$115 -\$130 -\$140 -\$135 -\$140 -\$1	I. Budget impact of no true-up of excess per-taxable-barrel credits effective 1/1/18.	\$0	\$0	\$0	\$0	\$0	\$0	\$0) \$0) \$(\$0
Total Budget Impact \$0 \$65 \$130 \$120 \$125 \$135 \$140 \$145 \$145 Total Fiscal Impact - (does not include potential changes in investment) \$45 \$140 \$190 \$180 \$190 \$200 \$215 \$230 \$265 \$260 Tax impact of carry-forward lease expenditure balances - current law \$14 \$0 <	J. Budget impact of new "dry hole" credit effective 1/1/18.										
Total Fiscal Impact - (does not include potential changes in investment) \$45 \$140 \$190 \$180 \$190 \$200 \$215 \$230 \$265 \$260 Tax impact of carry-forward lease expenditure balances - current law \$14 \$0	Additional impact of implementing above provisions together vs standalone			-\$85	-\$115	-\$130	-\$140	-\$135	-\$140	-\$140	-\$140
Tax impact of carry-forward lease expenditure balances - current law \$14 \$0		\$0	\$65	\$130	\$120	\$125	\$135	\$140	\$145	\$145	\$145
Tax impact of carry-forward lease expenditure balances - proposed \$75 \$140 \$195 \$245 \$285 \$355 \$430 \$480 \$565 \$660	Total Fiscal Impact - (does not include potential changes in investment)	\$45	\$140	\$190	\$180	\$190	\$200	\$215	\$230	\$265	\$260
	Tax impact of carry-forward lease expenditure balances - current law	\$14	\$0	\$0	\$0	\$0	\$0	\$0) \$() \$(\$0
Change in year-end balance due to proposal \$61 \$140 \$195 \$245 \$285 \$355 \$430 \$480 \$565 \$660	Tax impact of carry-forward lease expenditure balances - proposed	\$75	\$140	\$195	\$245	\$285	\$355	\$430	\$480	\$565	\$660
	Change in year-end balance due to proposal	\$61	\$140	\$195	\$245	\$285	\$355	\$430	\$480	\$565	\$660

NOTE: The fiscal impact of this proposal is an estimate based on the Fall 2016 revenue forecast. **Estimates shown here are draft / preliminary based on our interpretation of possible** changes, and do not include any changes in company behavior as a result of this proposal. We reserve the right to make modifications to estimates for any forthcoming fiscal notes.

Net Fiscal Impact of CSHB111(RES)\N at Various Prices

