

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE RAUSCHER

TO: CSHB 111(RES), Draft Version "N"

Page 24, line 24, through page 25, line 23:

Delete all material and insert:

"(3) lease expenditures, as adjusted under (m) of this section, that
(A) met the requirements of AS 43.55.160(e) in the year that
the lease expenditures were incurred;
(B) were deductible in the immediately preceding 10
calendar years, not counting the year in which the expenditure was
incurred;
(C) have not been deducted in the determination of the
production tax value of oil and gas under AS 43.55.160(a) in a previous
calendar year;
(D) were not the basis of a credit under this title; and
(E) were incurred to explore for, develop, or produce an oil
or gas deposit located north of 68 degrees North latitude.

* **Sec. 26.** AS 43.55.165 is amended by adding a new subsection to read:

(m) A loss carried forward under (a)(3) of this section shall increase in value at a rate of 10 percent, compounded annually. An increase in value under this subsection begins to accrue on January 1 of the calendar year immediately following the calendar year in which the loss was accrued and no longer accrues on December 31 of the calendar year immediately preceding the calendar year in which a carried-forward annual loss is applied. The increase in value accrued under this subsection has no value except as applied in this section. An increase in value may not accrue

- 1 (1) for a partial calendar year;
- 2 (2) for more than 10 calendar years, consecutive or nonconsecutive; or
- 3 (3) on a loss carried forward by a producer whose average amount of
- 4 oil and gas produced a day and taxable under AS 43.55.011(e) is more than 50,000
- 5 BTU equivalent barrels during the calendar year that the loss was accrued."

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7 Page 27, line 23:

8 Delete "and (n)"