

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE RAUSCHER

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

Page 1, lines 1 - 7:

Delete all material and insert:

""An Act relating to the interest applicable to delinquent oil and gas production tax; relating to the net operating loss credit against the oil and gas production tax; relating to lease expenditures; creating a credit against the oil and gas production tax for certain exploration activity; and providing for an effective date.""

Page 1, lines 9 - 13:

Delete all material.

Page 2, line 2:

Delete **"Sec. 2"**

Insert **"Section 1"**

Renumber the following bill sections accordingly.

Page 2, line 27, through page 15, line 31:

Delete all material.

Renumber the following bill sections accordingly.

Page 17, line 4, through page 19, line 17:

Delete all material.

1
2 Renumber the following bill sections accordingly.

3
4 Page 19, lines 22 - 30:

5 Delete all material.

6
7 Renumber the following bill sections accordingly.

8
9 Page 20, line 13, through page 23, line 31:

10 Delete all material.

11
12 Renumber the following bill sections accordingly.

13
14 Page 24, line 24, through page 25, line 2:

15 Delete all material and insert:

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

28
29 Page 25, lines 3 - 23:

30 Delete all material and insert:

31 **"* Sec. 6.** 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) for a partial calendar year;

(2) for more than 10 calendar years, consecutive or nonconsecutive; or

(3) on a loss carried forward by a producer whose average amount of oil and gas produced a day and taxable under AS 43.55.011(e) is more than 50,000 BTU equivalent barrels during the calendar year that the loss was accrued."

Page 25, line 24:

Delete "and 43.55.029 are"

Insert "is"

Page 25, line 25, through page 28, line 12:

Delete all material and insert:

"* **Sec. 8.** The uncoded law of the State of Alaska is amended by adding a new section to read:

APPLICABILITY. (a) AS 43.55.023(b), as amended by sec. 2 of this Act, applies to lease expenditures incurred on or after the effective date of sec. 2 of this Act.

(b) AS 43.55.165(a)(3) and 43.55.165(m), added by secs. 5 and 6 of this Act, apply to a lease expenditure incurred on or after the effective date of secs. 5 and 6 of this Act."

Renumber the following bill sections accordingly.

Page 28, line 15:

- 1 Delete "Section 2"
- 2 Insert "Section 1"
- 3
- 4 Page 28, line 16:
- 5 Delete "Sections 1, 2, 28, and 33"
- 6 Insert "Sections 1 and 9"
- 7
- 8 Page 28, line 18:
- 9 Delete "sec. 34"
- 10 Insert "sec. 10"