

HOUSE BILL NO. 387

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-THIRD LEGISLATURE - SECOND SESSION

BY THE HOUSE RESOURCES COMMITTEE

Introduced: 2/26/24

Referred: Resources, Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to a tax credit for certain oil and gas equipment in the Cook Inlet**
2 **sedimentary basin; and providing for an effective date."**

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 *** Section 1.** AS 43.98 is amended by adding a new section to read:

5 **Article 5. Oil and Gas Tax Credit Certificates.**

6 **Sec. 43.98.080. Tax credit for jack-up rigs.** (a) The department shall provide
7 a tax credit certificate to a person who, after the effective date of this Act and before
8 July 1, 2026, installs a jack-up rig in the Cook Inlet sedimentary basin. The tax credit
9 is equal to the total cost of purchasing the jack-up rig and transporting the jack-up rig
10 to the Cook Inlet sedimentary basin.

11 (b) A person who receives a tax credit certificate under (a) of this section may
12 use the credit, or a portion of the credit, to offset taxes imposed under this title. Any
13 unused portion of the credit may be carried forward to a subsequent tax year.

14 (c) A tax credit certificate issued under (a) of this section may not

1 (1) be sold, assigned, exchanged, conveyed, or otherwise transferred,
2 in whole or in part;

3 (2) be applied to reduce a person's tax liability under this title to below
4 zero; or

5 (3) be the basis for a credit under another provision of this title.

6 (d) In this section, "jack-up rig" means a mobile drilling platform with
7 extendible legs for support on the ocean floor.

8 * **Sec. 2.** This Act takes effect immediately under AS 01.10.070(c).