

New
AMENDMENT #4

OFFERED IN THE HOUSE

BY REPRESENTATIVE ROKEBERG

TO: HCS CSSB 305(FIN)

1 Page 5, lines 7 - 26:

2 Delete all material and insert:

3 "(i) For a month that ends before April 1, 2021, the total tax levied by (e) and
4 (g) of this section on gas produced from a lease or property in the Cook Inlet
5 sedimentary basin may not exceed

6 (1) for a lease or property that first commenced commercial production
7 of gas before April 1, 2006, (A) the amount of gas produced from the lease or
8 property, (B) multiplied by the average rate of tax that was imposed under this chapter
9 on gas produced from the lease or property for the 12-month period ending on
10 March 31, 2006, and (C) multiplied by the average prevailing value for gas delivered
11 in the Cook Inlet area for the 12-month period ending March 31, 2006, as determined
12 by the department under AS 43.55.020(f);

13 (2) for a lease or property that first commences commercial production
14 of gas after March 31, 2006, (A) the amount of gas produced from the lease or
15 property, (B) multiplied by the average rate of tax that was imposed under this chapter
16 on gas produced from all leases or properties in the Cook Inlet sedimentary basin for
17 the 12-month period ending on March 31, 2006, and (C) multiplied by the average
18 prevailing value for gas delivered in the Cook Inlet area for the 12-month period
19 ending March 31, 2006, as determined by the department under AS 43.55.020(f)."

20

21 Page 19, lines 19 - 28:

22 Delete "Except as provided in (f) of this section, for purposes of AS 43.55.011(e) and
23 (g), the production tax value of the taxable oil and gas produced during a month is (1) the total

1 of (A) the gross value at the point of production of the oil taxable under AS 43.55.011(e) and
 2 (g) and produced by the producer from all leases or properties in the state, less three-quarters
 3 of the gross value at the point of production of the oil taxable under AS 43.55.011(e) and (g)
 4 and produced by the producer from leases or properties in the Cook Inlet sedimentary basin,
 5 and (B) one-third of the gross value at the point of production of the gas taxable under
 6 AS 43.55.011(e) and (g) and produced by the producer from all leases or properties in the
 7 state, (2) less the producer's lease expenditures for the month as adjusted under (e) of this
 8 section."

9 Insert "Except as provided in (f) of this section, for purposes of AS 43.55.011(e) and
 10 (g), the production tax value of the taxable oil and gas produced during a month, other than
 11 gas produced from leases or properties in the Cook Inlet sedimentary basin, is (1) the total of
 12 (A) the gross value at the point of production of the oil taxable under AS 43.55.011(e) and (g)
 13 and produced by the producer from all leases or properties in the state, less three-quarters of
 14 the gross value at the point of production of the oil taxable under AS 43.55.011(e) and (g) and
 15 produced by the producer from leases or properties in the Cook Inlet sedimentary basin, and
 16 (B) two-thirds of the gross value at the point of production of the gas taxable under
 17 AS 43.55.011(e) and (g) and produced by the producer from all leases or properties in the
 18 state outside the Cook Inlet sedimentary basin, less one-sixth of the gross value at the point of
 19 production of the gas taxable under AS 43.55.011(e) and (g) and produced by the producer
 20 from all leases or properties in the state located south of 68 degrees 15 minutes North latitude
 21 outside of the Cook Inlet sedimentary basin, (2) less the producer's lease expenditures for the
 22 month as adjusted under (e) of this section, other than lease expenditures applicable to gas
 23 produced from leases or properties in the Cook Inlet sedimentary basin. Except as provided in
 24 (f) of this section, for the purposes of AS 43.55.011(e) and (g), the production tax value of the
 25 taxable gas produced during a month from leases or properties in the Cook Inlet sedimentary
 26 basin is one-third of the gross value at the point of production of the gas taxable under
 27 AS 43.55.011(e) and (g) and produced by the producer from those leases or properties, less
 28 the producer's lease expenditures for the month applicable to gas produced from leases or
 29 properties in the Cook Inlet sedimentary basin, as adjusted under (e) of this section."

30

31 Page 19, line 28, following "However,":

1 Delete "the"

2 Insert "a"

3

4 Page 20, line 6:

5 Delete "the"

6 Insert "a"

7

8 Page 20, line 7:

9 Delete "the taxable oil and"

10 Insert "taxable oil or"

11

12 Page 20, line 11, following "cause":

13 Delete "the"

14 Insert "a"

15

16 Page 20, lines 11 - 12:

17 Delete "the taxable oil and"

18 Insert "taxable oil or"

19

20 Page 21, line 28, following "gas":

21 Insert ";

22 (4) the lease expenditures that are applicable to oil or gas produced in
23 an area of the state shall be determined under regulations adopted by the department
24 that provide for reasonable methods of allocating costs between oil and gas and
25 between areas of the state"