



AMENDMENT #7

OFFERED IN THE HOUSE

BY REPRESENTATIVE ROKBERG *Rokberg*

TO: HCS CSSB 2001(FIN) (24-GS2094\X)

- 1 Page 6, line 1, following "AS 43.20.043,":
- 2 Delete "AS 43.55.024,"
- 3
- 4 Page 6, line 2, following "AS 43.20.043,":
- 5 Delete "AS 43.55.024,"
- 6

Explanation for amendment on Page 6:

Without this amendment, Cook Inlet gas producers do not have any credits to incent exploration and development for Cook Inlet without very large capital expenditures, which was the purpose of this entire section. Deleting the reference to AS 43.55.024 removes the tax-benefit-recapture provisions for investment based credits.

FY 2007 At Current High Prices and Current House Bill 2001

Volume	Per Barrel	Total
Price		301,167
		\$70
Gross Value	\$70.00	\$21,082
Transportation Costs	\$6.41	\$1,930
Wellhead Price	\$63.59	\$19,152
Royalty	\$8.14	\$2,452
Property Tax	\$0.50	\$151
Operating Expenses	\$3.13	\$944
Capital Expenses	\$3.52	\$1,060
Net Income	\$48.29	\$14,545

Net Income (from above)	Tax Rates Elements Summing to 23.5%				
\$14,545	20%	1.00%	1.000%	1.00%	0.50%
Tax Rate Dollars	\$2,909	\$145	\$145	\$145	\$73
					\$3,417

Net Income (from above)	Progressivity Options on Net Income at \$35/bbl Trigger		
\$14,545	0.10%	0.10%	0.05%
Progressivity Dollars	\$298	\$298	\$149
Total Tax before Credits			\$745
Credits			\$4,162
Capital Credits			\$212
Transition			\$100
Allowance			\$60
Total Tax Liability			(\$372)
			\$3,790

Amounts in Millions of Dollars or \$/bbl

Discussed by Rep. Rokusek