

AMENDMENT #7

OFFERED IN THE SENATE  
TO: SCS CSHB 2001(FIN)

BY SENATOR WIELECHOWSKI

1 Page 1, line 6, following "supervisors;":

2 Insert "establishing an oil and gas tax credit fund and authorizing payment from  
3 that fund;"

4  
5 Page 1, line 12:

6 Delete "sec. 47"

7 Insert "sec. 49"

8  
9 Page 2, line 3:

10 Delete "sec. 68"

11 Insert "sec. 71"

12  
13 Page 19, line 24, following "payment":

14 Insert "under AS 43.55.028"

15  
16 Page 20, following line 30:

17 Insert a new bill section to read:

18 "\*\* Sec. 28. AS 43.55.023(g) is amended to read:

19 (g) The issuance of a transferable tax credit certificate under (d) of this section  
20 or the purchase of a certificate [ISSUANCE OF A CASH REFUND] under  
21 AS 43.55.028 [(f) OF THIS SECTION] does not limit the department's ability to later  
22 audit a tax credit claim to which the certificate relates or to adjust the claim if the  
23 department determines, as a result of the audit, that the applicant was not entitled to

1 the amount of the credit for which the certificate was issued. The tax liability of the  
 2 applicant under AS 43.55.011(e) and 43.55.017 - 43.55.180 is increased by the amount  
 3 of the credit that exceeds that to which the applicant was entitled, or the applicant's  
 4 available valid outstanding credits applicable against the tax levied by  
 5 AS 43.55.011(e) are reduced by that amount. If the applicant's tax liability is increased  
 6 under this subsection, the increase bears interest under AS 43.05.225 from the date the  
 7 transferable tax credit certificate was issued. For purposes of this subsection, an  
 8 applicant that is an explorer is considered a producer subject to the tax levied by  
 9 AS 43.55.011(e)."

10  
 11 Renumber the following bill sections accordingly.

12  
 13 Page 29, following line 31:

14 Insert a new bill section to read:

15 **\*\* Sec. 44.** AS 43.55 is amended by adding a new section to read:

16 **Sec. 43.55.028. Oil and gas tax credit fund established; cash purchases of**  
 17 **tax credit certificates.** (a) The oil and gas tax credit fund is established as a separate  
 18 fund of the state. The purpose of the fund is to purchase certain transferable tax credit  
 19 certificates issued under AS 43.55.023 and certain production tax credit certificates  
 20 issued under AS 43.55.025.

21 (b) The oil and gas tax credit fund consists of

22 (1) money appropriated to the fund, including any appropriation of the  
 23 percentage provided under (c) of this section of all revenue from taxes levied by  
 24 AS 43.55.011 that is not required to be deposited in the constitutional budget reserve  
 25 fund established in art. IX, sec. 17(a), Constitution of the State of Alaska; and

26 (2) earnings on the fund.

27 (c) The applicable percentage for a fiscal year under (b)(1) of this section is  
 28 determined with reference to the average price or value forecast by the department for  
 29 Alaska North Slope oil sold or otherwise disposed of on the United States West Coast  
 30 during the fiscal year for which the appropriation of revenue from taxes levied by  
 31 AS 43.55.011 is made. If that forecast is

1 (1) \$60 a barrel or higher, the applicable percentage is 10 percent;

2 (2) less than \$60 a barrel, the applicable percentage is 15 percent.

3 (d) The department shall manage the fund.

4 (e) The department, on the written application of the person to whom a  
5 transferable tax credit certificate has been issued under AS 43.55.023(d) or a  
6 production tax credit certificate has been issued under AS 43.55.025(f), may use  
7 available money in the oil and gas tax credit fund to purchase, in whole or in part, the  
8 certificate if the department finds that

9 (1) the calendar year of the purchase is not earlier than the first  
10 calendar year for which the credit shown on the certificate would otherwise be allowed  
11 to be applied against a tax;

12 (2) within 24 months after applying for the transferable tax credit  
13 certificate or filing a claim for the production tax credit certificate, the applicant  
14 incurred a qualified capital expenditure or was the successful bidder on a bid  
15 submitted for a lease on state land under AS 38.05.180(f);

16 (3) the amount expended for the purchase would not exceed the total of  
17 qualified capital expenditures and successful bids described in (2) of this subsection  
18 that have not been the subject of a finding made under this paragraph for purposes of a  
19 previous purchase of a certificate;

20 (4) the applicant does not have an outstanding liability to the state for  
21 unpaid delinquent taxes under this title;

22 (5) the applicant's total tax liability under AS 43.55.011(e), after  
23 application of all available tax credits, for the calendar year in which the application is  
24 made is zero;

25 (6) the applicant's average daily production of oil and gas taxable  
26 under AS 43.55.011(e) during the calendar year preceding the calendar year in which  
27 the application is made was not more than 50,000 BTU equivalent barrels; and

28 (7) the purchase is consistent with this section and regulations adopted  
29 under this section.

30 (f) Money in the fund remaining at the end of a fiscal year does not lapse and  
31 remains available for expenditure in successive fiscal years.

1 (g) The department may adopt regulations to carry out the purposes of this  
2 section, including standards and procedures to allocate available money among  
3 applications for purchases the total amount of which exceeds the amount of available  
4 money in the fund.

5 (h) Nothing in this section creates a dedicated fund.

6 (i) In this section, "qualified capital expenditure" has the meaning given in  
7 AS 43.55.023."

8  
9 Renumber the following bill sections accordingly.

10  
11 Page 47, following line 24:

12 Insert a new bill section to read:

13 **"\* Sec. 63. AS 43.55.023(f) is repealed."**

14  
15 Renumber the following bill sections accordingly.

16  
17 Page 47, line 29:

18 Delete "sec. 55"

19 Insert "sec. 57"

20  
21 Page 47, line 30:

22 Delete "29 - 42, and 49 - 60"

23 Insert "30 - 43, and 51 - 62"

24  
25 Page 48, line 1:

26 Delete "Sections 43 and 45"

27 Insert "Sections 45 and 47"

28  
29 Page 48, line 2:

30 Delete "sec. 43"

31 Insert "sec. 45"

1

2 Page 48, line 3:

3 Delete "sec. 45"

4 Insert "sec. 47"

5 Delete "secs. 43 and 45"

6 Insert "secs. 45 and 47"

7

8 Page 48, line 5:

9 Delete "Sections 34 - 37, 39, and 41"

10 Insert "Sections 35 - 38, 40, and 42"

11

12 Page 48, line 8:

13 Delete "sec. 47"

14 Insert "sec. 49"

15

16 Page 48, line 10:

17 Delete "47"

18 Insert "49"

19

20 Page 48, line 12:

21 Delete "sec. 44" in both places

22 Insert "sec. 46" in both places

23

24 Page 48, line 15:

25 Delete "sec. 46"

26 Insert "sec. 48"

27

28 Page 48, line 16:

29 Delete "sec. 46"

30 Insert "sec. 48"

31

1 Page 48, following line 16:

2 Insert a new subsection to read:

3 "(h) If an application made under AS 43.55.023(f) is received by the Department of  
4 Revenue before January 1, 2008, and is still outstanding on that date, the application is  
5 considered to be an application under AS 43.55.028, enacted by sec. 44 of this Act."  
6

7 Page 49, line 15:

8 Delete "sec. 55"

9 Insert "sec. 57"

10

11 Page 49, line 16:

12 Delete "sec. 68"

13 Insert "sec. 71"

14

15 Page 49, line 17:

16 Delete "29 - 42, 49 - 54, 56 - 60"

17 Insert "30 - 43, 51 - 56, 58 - 62"

18 Delete "sec. 55"

19 Insert "sec. 57"

20

21 Page 49, line 18:

22 Delete "sec. 68"

23 Insert "sec. 71"

24

25 Page 49, lines 26 - 27:

26 Delete "29 - 42, and 49 - 60"

27 Insert "30 - 43, and 51 - 62"

28

29 Page 49, line 29:

30 Delete "sec. 55"

31 Insert "sec. 57"

1

2 Page 50, lines 15 - 16:

3 Delete "Sections 29 and 38"

4 Insert "Sections 30 and 39"

5

6 Page 50, line 17:

7 Delete "sec. 55"

8 Insert "sec. 57"

9

10 Page 50, line 19:

11 Delete "29 - 42, and 49 - 60"

12 Insert "30 - 43, and 51 - 62"

13

14 Page 50, line 21:

15 Delete "Section 28 of this Act takes"

16 Insert "Sections 28, 29, 44, and 63 of this Act take"

17

18 Page 50, line 22:

19 Delete "sec. 69"

20 Insert "sec. 72"