

# FISCAL NOTE

**STATE OF ALASKA**  
**2010 LEGISLATIVE SESSION**

Fiscal Note Number: 2  
 Bill Version: CSSB 242(RES)  
 (S) Publish Date: 3/22/10

Identifier (file name): SB 242 DNR-OGD-02092010 Dept. Affected: Natural Resources  
 Title: Geothermal Resource Tax Credits RDU: Resource Development  
 Component: Oil and Gas Development  
 Sponsor: Sen McGuire  
 Requester: SRES Component Number: 439

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information						
		FY 2011	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
<b>OPERATING EXPENDITURES</b>								
Personal Services								
Travel								
Contractual								
Supplies								
Equipment								
Land & Structures								
Grants & Claims								
Miscellaneous								
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>CAPITAL EXPENDITURES</b>								
<b>CHANGE IN REVENUES ( )</b>								

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts								
1003 GF Match								
1004 GF								
1005 GF/Program Receipts								
1037 GF/Mental Health								
Other Interagency Receipts								
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2010) cost: \_\_\_\_\_

**POSITIONS**

Full-time								
Part-time								
Temporary								

**ANALYSIS:** (Attach a separate page if necessary)

SB 242 creates a ten year window, effective June 30, 2008 and before July 1, 2018, for geothermal exploration tax credits. The tax credits are in the amount of 50 percent for state land and 25 percent for other land, and not to exceed \$20,000,000 per project. The tax credits may be carried forward for up to five years. An additional seven years of tax credit may be carried forward if commercial production occurs within the first five years from when the exploration activity qualifies for tax credits. A geothermal resource development credit of ten percent for qualified costs are also allowed. The tax credits cannot offset more than 50 percent of the state income tax due from the developer. These tax credits would create value for investors interested in exploring and developing geothermal resources.

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Natural Resources

Phone 269-8800  
 Date/Time 2/9/10 6:00 PM  
 Date 2/10/10 8:00am