

**ALASKA STATE LEGISLATURE
HOUSE RESOURCES STANDING COMMITTEE**

March 24, 2010
2:12 p.m.

MEMBERS PRESENT

Representative Craig Johnson, Co-Chair
Representative Mark Neuman, Co-Chair
Representative Bryce Edgmon
Representative Kurt Olson
Representative Paul Seaton
Representative Peggy Wilson
Representative David Guttenberg
Representative Scott Kawasaki
Representative Chris Tuck

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

HOUSE BILL NO. 229

"An Act amending and extending the exploration and development incentive tax credit under the Alaska Net Income Tax Act for operators and working interest owners directly engaged in the exploration for and development of gas for delivery and sale from a lease or property in the state; providing for an effective date by amending the effective date for sec. 2, ch. 61, SLA 2003; and providing for an effective date."

- MOVED CSHB 229(RES) OUT OF COMMITTEE

HOUSE BILL NO. 227

"An Act establishing state fish and game reserves; creating the Holitna River Basin Hunting, Fishing, and Trapping Reserve; and providing for an effective date."

- SCHEDULED BUT NOT HEARD

HOUSE BILL NO. 246

"An Act relating to the licensing and regulation of sport fishing operators and sport fishing guides and licensing and registration of sport fishing vessels; and providing for an effective date."

- SCHEDULED BUT NOT HEARD

PREVIOUS COMMITTEE ACTION

BILL: HB 229

SHORT TITLE: GAS EXPLORATION\DEVELOPMENT TAX CREDIT

SPONSOR(S): REPRESENTATIVE(S) CHENAULT

04/14/09	(H)	READ THE FIRST TIME - REFERRALS
04/14/09	(H)	RES, FIN
02/22/10	(H)	RES AT 1:00 PM BARNES 124
02/22/10	(H)	-- MEETING CANCELED --
03/12/10	(H)	RES AT 1:00 PM BARNES 124
03/12/10	(H)	<Bill Held Over to 3/15/10>
03/15/10	(H)	RES AT 1:00 PM BARNES 124
03/15/10	(H)	Heard & Held
03/15/10	(H)	MINUTE(RES)
03/24/10	(H)	RES AT 1:00 PM BARNES 124

WITNESS REGISTER

TOM WRIGHT, Staff
Representative Mike Chenault
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: During the hearing on HB 229, suggested an amendment on behalf of Representative Chenault, sponsor.

MARCIA DAVIS, Deputy Commissioner
Office of the Commissioner
Department of Revenue
Anchorage, Alaska

POSITION STATEMENT: During the hearing on HB 229, answered questions.

CARRI LOCKHART, Production Manager
Marathon Oil Corporation
Anchorage, Alaska

POSITION STATEMENT: During the hearing on HB 229, answered questions.

ACTION NARRATIVE

[2:12:48 PM](#)

CO-CHAIR MARK NEUMAN called the House Resources Standing Committee meeting to order at 2:12 p.m. Representatives Wilson, Seaton, Tuck, Guttenberg, Edgmon, Olson, and Neuman were present at the call to order. Representatives Kawasaki and Johnson arrived as the meeting was in progress.

HB 229-GAS EXPLORATION\DEVELOPMENT TAX CREDIT

[2:14:11 PM](#)

CO-CHAIR NEUMAN announced that the first order of business is HOUSE BILL NO. 229, "An Act amending and extending the exploration and development incentive tax credit under the Alaska Net Income Tax Act for operators and working interest owners directly engaged in the exploration for and development of gas for delivery and sale from a lease or property in the state; providing for an effective date by amending the effective date for sec. 2, ch. 61, SLA 2003; and providing for an effective date." [Before the committee was Version 26-LS0900\E, Bullock, 2/18/10, adopted as a work draft on 3/15/10.]

[2:14:25 PM](#)

TOM WRIGHT, Staff, Representative Mike Chenault, Alaska State Legislature, said the sponsor has prepared an amendment that addresses Representative Seaton's concerns.

REPRESENTATIVE SEATON moved to adopt Amendment 5, labeled 26-LS0900\E.5, Bullock, 3/23/10, written as followed [original punctuation provided]:

Page 3, lines 17 - 24:
Delete all material.

Renumber the following bill sections accordingly.

Page 4, lines 12 - 13:
Delete ", topping plants, and processing units"
Insert "**designed for field operations, gas processing plants, and gas treatment plants, but not including liquefied natural gas or manufacturing plants** [, TOPPING PLANTS, AND PROCESSING UNITS]"

Page 5, line 2:
Delete "**sec. 8**"
Insert "**sec. 7**"

CO-CHAIR NEUMAN objected for discussion purposes.

MR. WRIGHT explained that Amendment 5 would eliminate Section 4 because the language that was added at the end of this section was unnecessary. Deletion of the language regarding topping plants and processing units and the insertion of new language clarifies what would and would not be available for this tax credit, a change that is at the advice of Deputy Commissioner Marcia Davis of the Department of Revenue.

2:17:49 PM

CO-CHAIR NEUMAN requested an explanation of the new language that would be added by lines 8-9 of Amendment 5.

MARCIA DAVIS, Deputy Commissioner, Office of the Commissioner, Department of Revenue, explained that topping plants would be removed, in part, because it is incongruous to gas development given that a topping plant refines crude oil into a product for making diesel. Processing units is such a broad, generic term that a concern was raised at the last hearing as to whether this could include a liquefied natural gas (LNG) plant, which, technically, it could. So, to address the concern that this stay within the scope of the processing that would occur in moving gas from the reservoir to the point of transport through commercial gas lines, the department recommended using the terms "gas processing" and "gas treatment" because they are already defined in the tax code. Gas processing is everything that happens from the well bore down and up and the typical gas processing of pulling off gas liquids. Gas treatment is defined as something above the point of production that is done to a gas stream to remove carbon dioxide and water to make it marketable and transportable in pipelines. The language, "but not including liquefied natural gas or manufacturing plants", was inserted to make it clear that an LNG plant or other manufacturing plant would not be included in the list of equipment that would qualify for this credit because that is all downstream of gas treatment plants.

2:20:27 PM

CO-CHAIR NEUMAN requested an explanation of the term manufacturing plant.

MS. DAVIS responded that the department included this term to encompass such things as fertilizer plants. A manufacturing plant is where gas molecules are modified into another format or

product, which is something that is clearly downstream of the gas development and gas processing system.

CO-CHAIR NEUMAN surmised manufacturing plants would be added-value processing facilities.

MS. DAVIS replied yes; that would be another way of characterizing it in the sense that something additional was done to the gas other than produce it, process it, and prepare it for transport as gas.

[2:21:35 PM](#)

CO-CHAIR NEUMAN said he understands the inclusion of LNG plants given the requirements of the Alaska Gasline Inducement Act (AGIA). He proffered, however, that exploration and development tax credits targeted toward manufacturing would enhance exploration as well as added-value processing.

MS. DAVIS offered her understanding that HB 229 is designed to facilitate and support gas discovery, gas development, and gas production, while other bills pending before the legislature are intended to encourage the value-added process, such as a fertilizer plants or gas-to-liquids (GTL). She said it is the committee's prerogative whether to broaden this bill.

[2:23:17 PM](#)

CO-CHAIR NEUMAN posited the committee must deal with the bills that are before it because the fate of other bills is unknown. He asked whether Ms. Davis would object to an amendment that removes manufacturing plants from line 9 to Amendment 5 because he feels it would be a great opportunity to spur exploration which would also spur job creation in the state.

MS. DAVIS answered she is not in a position to reflect how the administration would like to arrange the various bills, but the department is willing to help and facilitate the will of the body. If the will is to include manufacturing in HB 229, the department would need to include that in its fiscal note and would need to ensure the tax provisions function appropriately, given the department would no longer be talking about a producer because value-added processes would most likely be conducted by third parties that buy the resource from producers.

CO-CHAIR NEUMAN said producers can own manufacturing plants.

REPRESENTATIVE OLSON pointed out that in the case of the Agrium fertilizer plant and its predecessors, the producer was also the owner of the plant.

[2:25:58 PM](#)

CO-CHAIR NEUMAN moved Amendment 1 to Amendment 5 to remove "manufacturing plants" from line 9 of Amendment 5.

REPRESENTATIVE SEATON objected, saying that Amendment 5 is being put forward to delineate where this production tax credit is going to stimulate production. It would be inappropriate to give a production tax credit on a manufacturing item because that is downstream and could be either the producer or another entity. He pointed out that "designed for field operations" is also included in Amendment 5 because that is the same thing; a gas producer could not receive credit for a power plant that sells power to someone else. Use of the gas in field operations is understandable because the electricity would be used for the wells and in production, and it works into the definition of property under a qualified capital investment.

[2:28:45 PM](#)

CO-CHAIR NEUMAN commented that he thinks it would be a great thing to have electrical generation facilities in rural Alaska be gas fired. Producers have been unable to sell the credits, and the state needs to expand opportunities to do that because right now the state is receiving nothing.

MS. DAVIS agreed it is appropriate for the legislature to find ways to encourage and incentivize value-added industry in the state. If the intent is to turn this into an upstream-type of credit, then more needs to be done to the bill mechanically. For example, Section 5 defines qualified capital investment, which is the lead-in to the listing of the type of equipment. One of the premises is that this equipment must be used in the state for exploration and development of gas, and that is why the focus has been on the field and the types of equipment and processes that happen in the exploration and development phase of gas development. Manufacturing cannot in any way be considered part of exploration and development because it is definitely post-production. Therefore, the language in paragraph (1) of Section 5 would have to be changed so that the Department of Revenue could administer something like this.

A roll call vote was taken. Representatives Olson and Neuman voted in favor of Amendment 1 to Amendment 5. Representatives Guttenberg, Kawasaki, Tuck, P. Wilson, Seaton, and Edgmon voted against it. Therefore, Amendment 1 to Amendment 5 failed by a vote of 2-6.

[2:32:34 PM](#)

REPRESENTATIVE SEATON inquired whether deleting Section 4 from the bill would result in granting a "Cook Inlet provision" to the entire state, including the North Slope.

MS. DAVIS explained that a previous amendment now contained in the bill amends AS 43.20.043(f) by adding language. Amendment 5 would leave subsection AS 43.20.043(f) alone so it would read as it currently reads and would contain the limitation that this income tax credit does not apply to North Slope gas.

[2:34:41 PM](#)

REPRESENTATIVE SEATON moved Amendment 2 to Amendment 5 to delete lines 1-2 of Amendment 5.

CO-CHAIR NEUMAN objected.

REPRESENTATIVE SEATON said removing Section 4 would allow this credit to apply to the North Slope as well as Cook Inlet, which was not his intent. He said he thinks the sponsor's intent is that HB 229 specifically relate to south of the North Slope.

[2:36:04 PM](#)

MR. WRIGHT stated he reads the language differently, and that by keeping AS 43.20.043(f) as currently written the North Slope would not be included for the tax credit.

MS. DAVIS concurred with Mr. Wright. She explained that by deleting Section 4 in its entirety, Version E would not amend AS 43.20.043(f) and (f) would remain as currently written so that North Slope gas is excluded from the tax credit.

REPRESENTATIVE SEATON withdrew Amendment 2 to Amendment 5.

[2:37:37 PM](#)

REPRESENTATIVE TUCK asked whether the intent of the first two lines of Amendment 5 is to delete all of Section 4, not just the language proposed to be added to the end of AS 43.20.043(f).

MR. WRIGHT explained that Amendment 5 would eliminate Section 4 from the bill; it would not eliminate AS 43.20.043(f) and thus that statute would remain in place. Given that the new language on lines 22-24 of Version E are unnecessary, there is no need for Section 4 to continue to be in the bill.

There being no objection, Amendment 5 was passed.

[2:39:50 PM](#)

CO-CHAIR NEUMAN urged members to submit proposed amendments to the chair at least 24 hours prior to the meeting so members have a chance to consider and understand them beforehand. He said receiving substantial amendments at the start of a meeting, as is happening today, creates difficulty for committee members.

REPRESENTATIVE SEATON pointed out that he himself only received the amendment just before today's meeting. He moved to adopt Amendment 6, labeled 26-LS0900\E.6, Bullock, 3/23/10, written as follows [original punctuation provided]:

Page 3, following line 16:

Insert a new bill section to read:

"* **Sec. 4.** AS 43.20.043(e) is amended to read:

(e) A taxpayer entitled to a credit under this section

(1) may not convey, assign, or transfer the credit to another taxpayer or business entity unless the conveyance, assignment, or transfer of the credit is part of the conveyance, assignment, or transfer of the taxpayer's business;

(2) forfeits the credit to which the taxpayer is entitled during the tax year and any carryover of it under (c) of this section, but does not forfeit the portion of the credit that accrued in a previous taxable year that may be carried over under (c) of this section, if the taxpayer

(A) disposes of the qualified capital investment;

(B) takes the qualified investment out of service; or

(C) transfers the qualified investment out of this state;

(3) may not include in any rate base for a regulated facility submitted to a regulatory agency charged with determining an appropriate tariff the cost of any qualified capital investment or qualified service that has been offset by receipt of a credit under this chapter."

Renumber the following bill sections accordingly.

Page 5, line 2:

Delete "sec. 8"

Insert "sec. 9"

REPRESENTATIVE OLSON objected.

REPRESENTATIVE SEATON stated that Amendment 6 would provide that the credit received from the state for a regulated facility or a regulated transmission line would not go into the tariff base that the consumer has to pay.

[2:44:07 PM](#)

CO-CHAIR NEUMAN inquired whether these transmission lines would be downstream.

REPRESENTATIVE SEATON responded probably.

CO-CHAIR NEUMAN recounted that the committee just had a discussion on whether to include downstream given that the bill is for exploration credit.

MS. DAVIS said the gathering and transmission lines would be part of exploration and development at the time that they are being built and the credits requested. It is usually at a later date, when adjacent fields begin to be developed, that parties seek better economics by making arrangements to share transmission and gathering lines that are solely owned by someone else. At this juncture, the line owner would come to the Regulatory Commission of Alaska (RCA) to seek common carrier designation of the line and would advise the RCA of the building costs. Any costs that were offset by the credit would not be loaded into the base against which the tariff is derived.

[2:46:16 PM](#)

CO-CHAIR NEUMAN said the gas transferred through the lines would be the gas that this credit applies to and the rest of it would be downstream.

MS. DAVIS agreed that is correct for the construction costs associated with building the gathering and transmission lines.

CO-CHAIR NEUMAN pointed out that earlier discussion was about why downstream costs should not be included in the bill.

REPRESENTATIVE SEATON related that a sole-owner line on the Kenai Peninsula will soon become a common carrier because the owner is negotiating with other companies, and when this occurs the RCA will regulate the line and put tariffs on it. So, the question is whether at a later date, after the exploration credits are applied, the credit received from the state for building the line can be built into the tariff that customers must pay. Amendment 6 would provide the same thing as under the Alaska Gasline Inducement Act (AGIA), which is that any state credits received by the owner cannot be built into the tariff.

[2:48:08 PM](#)

CO-CHAIR NEUMAN maintained his objection to Amendment 6.

MS. DAVIS, in response to Representative Guttenberg, explained it is only the amount of cost that was offset by the tax credit that cannot be loaded into the rate base. For example, if the tax credit received was 25 percent and the total pipeline cost was \$1 million, then only \$750,000 can be included in the rate base for the tariff.

[2:50:17 PM](#)

REPRESENTATIVE P. WILSON understood Ms. Davis to be saying that Amendment 6 would provide that the owner of a line that has already received a credit could not add in the amount of the credit.

MS. DAVIS answered correct.

MR. WRIGHT said the sponsor believes Amendment 6 is unnecessary because this already cannot be done; once a tax credit has been received it cannot be charged off at a later time.

REPRESENTATIVE SEATON added that when an entity is building a gasline for its own use, it can receive the tax credit. If the

entity later wants to use the line as a regulated common carrier, the question is whether that entity can submit the total cost of the pipeline to the RCA or must exclude the amount that the state paid. Amendment 6 would provide that the credit cannot be included in the rate base, just as AGIA provides that the \$500 million paid by the state cannot be used for the rate base of that pipeline. He said Amendment 6 is for clarity to ensure there is no problem in the future.

[2:52:40 PM](#)

MS. DAVIS agreed that this language is contained in the Alaska Gasline Inducement Act, as well as in HB 280 which relates to gas storage. Therefore, including this language in HB 229 would not violate what has been done in other bills. However, she said she does not know whether the RCA would or would not allow that credit to be reflected in the filing for the cost of equipment for which the entity is seeking to set a tariff.

REPRESENTATIVE P. WILSON surmised Ms. Davis to be saying that Amendment 6 would be okay.

MS. DAVIS responded yes, it would not do any harm and would create clarity. She said she does not know whether the amendment is absolutely necessary, but it does not do any harm and is consistent with an existing statute and a proposed bill.

[2:54:24 PM](#)

CO-CHAIR NEUMAN maintained his objection.

A roll call vote was taken. Representatives Kawasaki, Tuck, P. Wilson, Seaton, Edgmon, and Guttenberg voted in favor of Amendment 6. Representatives Olson and Neuman voted against it. Therefore, Amendment 6 passed by a vote of 6-2.

CO-CHAIR NEUMAN reiterated the importance of receiving proposed amendments at least 24 hours in advance.

REPRESENTATIVE OLSON agreed, stating he has held up his own bills when unable to do this.

REPRESENTATIVE SEATON responded that these were the questions he raised in the previous hearing. While he could have proposed the amendments as conceptual amendments in the previous hearing, he had these amendments drafted by Legislative Legal and Research Services.

CO-CHAIR NEUMAN again stressed the importance of providing amendments ahead of time to ensure that members fully understand what they do.

[2:57:54 PM](#)

REPRESENTATIVE SEATON moved to adopt Amendment 7, labeled 26-LS0900\E.7, Bullock, 3/23/10, written as follows [original punctuation provided]:

Page 3, following line 16:

Insert a new bill section to read:

"* **Sec. 4.** AS 43.20.043(e) is amended to read:

(e) A taxpayer entitled to a credit under this section

(1) may not convey, assign, or transfer the credit to another taxpayer or business entity unless the conveyance, assignment, or transfer of the credit is part of the conveyance, assignment, or transfer of the taxpayer's business;

(2) forfeits the credit to which the taxpayer is entitled during the tax year and any carryover of it under (c) of this section, but does not forfeit the portion of the credit that accrued in a previous taxable year that may be carried over under (c) of this section, if the taxpayer

(A) disposes of the qualified capital investment;

(B) takes the qualified investment out of service; or

(C) transfers the qualified investment out of this state;

(3) shall submit to the Department of Natural Resources all data that would be required to be submitted under AS 43.55.025(f)(2) for a credit under AS 43.55.025."

Renumber the following bill sections accordingly.

Page 5, line 2:

Delete "sec. 8"

Insert "sec. 9"

REPRESENTATIVE OLSON objected.

[2:58:12 PM](#)

REPRESENTATIVE SEATON said Amendment 7 would provide that if an exploration credit is received the well data shall be made available to the Department of Natural Resources (DNR), as is the case across the rest of the state. He moved to adopt [Conceptual] Amendment 1 to Amendment 7 to add "before applying the credit against a tax liability under this chapter" after "(3)". Thus, page 1, lines 16-17, of Amendment 7 would read:

(3) before applying the credit against a tax liability under this chapter, shall submit to the Department of Natural Resources all data that would be required to be submitted under AS 43.55.025(f)(2) for a credit under AS 43.55.025."

CO-CHAIR NEUMAN noted that a 3/24/2010 memorandum from Mr. Don Bullock to Representative Seaton suggests Amendment 1 to Amendment 7.

REPRESENTATIVE SEATON explained that the amendment he requested from Legislative Legal and Research Services was that well data be submitted before an entity took a tax credit. However, the way Amendment 7 is currently written, it is unclear whether an entity would have to submit the well data even for an expense that could be allowable for a tax credit and this was not his intent. His intent is only that the well data be submitted if an entity applies for a tax credit. This way the state receives something for the credit, which is the case for all of the state's other exploration and development credits.

[3:01:32 PM](#)

REPRESENTATIVE P. WILSON suggested making Amendment 1 to Amendment 7 conceptual because inserting this language right after (3) does not make sense.

REPRESENTATIVE SEATON agreed to the suggestion. In response to Co-Chair Neuman, he reiterated Conceptual Amendment 1 to Amendment 7.

There being no objection, Conceptual Amendment 1 to Amendment 7 was passed.

[3:03:57 PM](#)

MR. WRIGHT stated that if Amendment 7 is passed then HB 229 might as well stay in the committee. The data that would be

required for submission is expensive to obtain and proprietary, and therefore this amendment is a non-starter for the sponsor.

CO-CHAIR JOHNSON agreed that Amendment 7 is a deal-killer, saying the intent of HB 229 is to incentivize exploration in a very competitive market, and if an entity must open its books to receive the state's help the data would become available to competitors. He stressed his opposition to private companies being forced to divulge their private information without confidentiality.

[3:05:32 PM](#)

REPRESENTATIVE P. WILSON requested Ms. Davis to comment on whether Amendment 7 would cause companies to not participate.

MS. DAVIS said the statutory reference in Amendment 7 is to the exploration incentive credit portion of the production tax law, and it is only to a specific part of the exploration incentive credit, which is AS 43.55.025(f)(2). Under AS 43.55.025(f)(2), DNR must be notified after completion of the seismic data processing or completion of the well, and the producer must provide DNR with its ancillary data and reports on the exploration. Under AS 43.55.025(f)(1) - which is not included in the amendment - a producer must give DNR advance opportunity to say whether the exploration activity is good or bad. She said she cannot speak to how companies react to the giving of their data, but she can say that Cook Inlet is different than the North Slope because the companies bump up to each other elbow to elbow. She added that AS 43.55.025(f)(2) requires DNR to hold the data confidential for 10 years and she would have to let the companies offer their perspectives on whether that 10 years is sufficient.

[3:08:41 PM](#)

CO-CHAIR NEUMAN inquired whether it is standard policy for the Department of Revenue to offer its opinions on amendments and legislation.

MS. DAVIS replied she was not giving an opinion. In further response, she said she was describing how AS 43.55.025(f)(2) operates and she was being very clear to say that she could not speak to whether individual companies would like this.

CO-CHAIR NEUMAN said he thought Ms. Davis was speaking for the department.

3:09:28 PM

REPRESENTATIVE OLSON maintained his objection to Amendment 7 and noted that since this and the previous amendment were only just now dropped on the committee he doubts that the companies have seen them. He inquired what the policy will be for amendments for the remainder of the session.

CO-CHAIR NEUMAN responded that substantial amendments like these will no longer be accepted without 24 hours notice so members can familiarize themselves with what the amendments would do.

CO-CHAIR JOHNSON agreed.

MS. DAVIS, in response to Representative Tuck, said she does not recall whether this language is in HB 280, but she does know it is in current statute for the exploration incentive credit under Alaska's Clear and Equitable Share (ACES).

3:11:23 PM

REPRESENTATIVE EDGMON said he is trying to get a better sense of this issue given that the sponsor and the Department of Revenue have said two different things.

MS. DAVIS responded that the Department of Revenue is not saying anything about the industry.

CO-CHAIR JOHNSON requested that Ms. Carri Lockhart of Marathon Oil Corporation be asked her opinion in this regard.

CARRI LOCKHART, Production Manager, Marathon Oil Corporation, replied yes, Amendment 7 is a deal killer. She said it costs millions of dollars to acquire, analyze, interpret, and process the highly proprietary geophysical data. To give that information away would cause Marathon Oil Corporation great heartburn. The data would then make it into the public domain which is an absolute non-starter for Marathon.

3:13:08 PM

REPRESENTATIVE P. WILSON said she will vote no on Amendment 7 because in the Cook Inlet the companies are stacked right next to each other and do not want their information available to the others.

CO-CHAIR JOHNSON called the question, then agreed to remove his call so Representative Guttenberg could ask Ms. Lockhart a question.

REPRESENTATIVE GUTTENBERG inquired whether Marathon thinks the 10-year period of confidentiality is too long or too short after DNR receives the data. He further inquired whether Marathon takes tax credits with similar provisions.

MS. LOCKHART said she views the 10 years as being entirely too short because the life of Marathon's fields can be 50 years. Multiple players are near and around Marathon in Cook Inlet. "Corner shooters" try to encroach on Marathon's operations and this data would only give them fuel to impede into Marathon's operations.

[3:15:53 PM](#)

REPRESENTATIVE SEATON argued that Amendment 7 is not requiring a company to "give" data to the state; rather the state is "buying" data by paying 25 percent of the total cost. The state should receive something in return for the credit, especially if there are dry holes and the company withdraws from the unit. Amendment 7 is exactly the same provision as in ACES for exploratory credits, and the value of these credits is being increased from 10 percent to 25 percent.

MS. LOCKHART stated that data under this provision is expansive, so in addition to the logs from a well it would include other data sets that a company has paid for well in advance of anything the company would be doing in the future underneath this tax credit.

[3:17:26 PM](#)

A roll call vote was taken. Representatives Tuck, Seaton, Guttenberg, and Kawasaki voted in favor of Amendment 7, as amended. Representatives P. Wilson, Olson, Edgmon, Johnson, and Neuman voted against it. Therefore, Amendment 7, as amended, failed by a vote of 4-5.

CO-CHAIR JOHNSON moved to report CSHB 229, Version 26-LS0900\E, Bullock, 2/18/10, as amended, out of committee with individual recommendations and the accompanying fiscal notes.

REPRESENTATIVE KAWASAKI objected.

3:18:58 PM

A roll call vote was taken. Representatives Olson, Guttenberg, Tuck, Johnson, Neuman, P. Wilson, Seaton, and Edgmon voted in favor of Version E, as amended. Representative Kawasaki voted against it. Therefore, CSHB 229(RES) was reported out of the House Resources Standing Committee by a vote of 8-1.

ADJOURNMENT

There being no further business before the committee, the House Resources Standing Committee meeting was adjourned at 3:20 p.m.