

AMENDMENT # 4

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OFFERED IN THE SENATE  
TO: CSSB 21(FIN)

1 Page 5, line 4, following "to":

2 Insert "the sum of"

3

4 Page 5, line 6:

5 Delete "[THE SUM OF]"

6

7 Page 5, line 9:

8 Delete "and"

9 Insert "[AND]"

10

11 Page 5, lines 10 - 12:

12 Delete "[THE SUM, OVER ALL MONTHS OF THE CALENDAR YEAR, OF THE  
13 TAX AMOUNTS DETERMINED UNDER (g) OF THIS SECTION]"

14 Insert "and"

15 (3) the sum, over all months of the calendar year, of the tax amounts  
16 determined under (g) of this section"

17

18 Page 5, following line 12:

19 Insert a new bill section to read:

20 "\* Sec. 10. AS 43.55.011(g) is amended to read:

21 (g) For each month of the calendar year for which the producer's average  
22 monthly production tax value under AS 43.55.160(a)(2) of a [PER] BTU equivalent  
23 barrel of the taxable oil and gas is more than \$55 [\$30], the amount of tax for purposes

1 of (e)(2) of this section is determined by multiplying the monthly production tax value  
 2 of the taxable oil and gas produced during the month by [THE TAX RATE  
 3 CALCULATED AS FOLLOWS:

4 (1) IF THE PRODUCER'S AVERAGE MONTHLY PRODUCTION  
 5 TAX VALUE PER BTU EQUIVALENT BARREL OF THE TAXABLE OIL AND  
 6 GAS FOR THE MONTH IS NOT MORE THAN \$92.50, THE TAX RATE IS 0.4  
 7 PERCENT MULTIPLIED BY THE NUMBER THAT REPRESENTS THE  
 8 DIFFERENCE BETWEEN THAT AVERAGE MONTHLY PRODUCTION TAX  
 9 VALUE PER BTU EQUIVALENT BARREL AND \$30; OR

10 (2) IF THE PRODUCER'S AVERAGE MONTHLY PRODUCTION  
 11 TAX VALUE PER BTU EQUIVALENT BARREL OF THE TAXABLE OIL AND  
 12 GAS FOR THE MONTH IS MORE THAN \$92.50, THE TAX RATE IS THE SUM  
 13 OF 25 PERCENT AND] the product of 0.2 [0.1] percent multiplied by the number  
 14 that represents the difference between the average monthly production tax value of a  
 15 [PER] BTU equivalent barrel and \$55 [\$92.50], except that the sum determined under  
 16 this paragraph may not exceed 15 [50] percent."

17  
 18 Renumber the following bill sections accordingly.

19  
 20 Page 8, line 21, through page 11, line 21:

21 Delete all material and insert:

22 "\* Sec. 13. AS 43.55.020(a), as amended by sec. 12 of this Act, is repealed and reenacted to  
 23 read:

24 (a) For a calendar year, a producer subject to tax under AS 43.55.011 shall pay  
 25 the tax as follows:

26 (1) an installment payment of the estimated tax levied by  
 27 AS 43.55.011(e), net of any tax credits applied as allowed by law, is due for each  
 28 month of the calendar year on the last day of the following month; except as otherwise  
 29 provided under (2) of this subsection, the amount of the installment payment is the  
 30 sum of the following amounts, less 1/12 of the tax credits that are allowed by law to be  
 31 applied against the tax levied by AS 43.55.011(e) for the calendar year, but the amount

1 of the installment payment may not be less than zero:

2 (A) for oil and gas not subject to AS 43.55.011(o) or (p)  
3 produced from leases or properties in the state outside the Cook Inlet  
4 sedimentary basin, other than leases or properties subject to AS 43.55.011(f),  
5 the greater of

6 (i) zero; or

7 (ii) 30 percent multiplied by the remainder obtained by  
8 subtracting 1/12 of the producer's adjusted lease expenditures for the  
9 calendar year of production under AS 43.55.165 and 43.55.170 that are  
10 deductible for the oil and gas under AS 43.55.160 from the gross value  
11 at the point of production of the oil and gas produced from the leases or  
12 properties during the month for which the installment payment is  
13 calculated combined with the gross value at the point of production of  
14 oil and gas produced from each lease or property multiplied by the  
15 applicable tax rate in AS 43.55.011(g);

16 (B) for oil and gas produced from leases or properties subject  
17 to AS 43.55.011(f), the greatest of

18 (i) zero;

19 (ii) zero percent, one percent, two percent, three  
20 percent, or four percent, as applicable, of the gross value at the point of  
21 production of the oil and gas produced from the leases or properties  
22 during the month for which the installment payment is calculated; or

23 (iii) 30 percent multiplied by the remainder obtained by  
24 subtracting 1/12 of the producer's adjusted lease expenditures for the  
25 calendar year of production under AS 43.55.165 and 43.55.170 that are  
26 deductible for the oil and gas under AS 43.55.160 from the gross value  
27 at the point of production of the oil and gas produced from those leases  
28 or properties during the month for which the installment payment is  
29 calculated combined with the gross value at the point of production of  
30 oil and gas produced from each lease or property multiplied by the  
31 applicable tax rate in AS 43.55.011(g);

1 (C) for oil or gas subject to AS 43.55.011(j), (k), or (o), for  
2 each lease or property, the greater of

3 (i) zero; or

4 (ii) 30 percent multiplied by the remainder obtained by  
5 subtracting 1/12 of the producer's adjusted lease expenditures for the  
6 calendar year of production under AS 43.55.165 and 43.55.170 that are  
7 deductible under AS 43.55.160 for the oil or gas, respectively,  
8 produced from the lease or property from the gross value at the point of  
9 production of the oil or gas, respectively, produced from the lease or  
10 property during the month for which the installment payment is  
11 calculated;

12 (D) for oil and gas subject to AS 43.55.011(p), the lesser of

13 (i) 30 percent multiplied by the remainder obtained by  
14 subtracting 1/12 of the producer's adjusted lease expenditures for the  
15 calendar year of production under AS 43.55.165 and 43.55.170 that are  
16 deductible for the oil and gas under AS 43.55.160 from the gross value  
17 at the point of production of the oil and gas produced from the leases or  
18 properties during the month for which the installment payment is  
19 calculated, but not less than zero combined with the gross value at the  
20 point of production of oil and gas produced from each lease or property  
21 multiplied by the applicable tax rate in AS 43.55.011(g); or

22 (ii) four percent of the gross value at the point of  
23 production of the oil and gas produced from the leases or properties  
24 during the month, but not less than zero;

25 (2) an amount calculated under (1)(C) of this subsection for oil or gas  
26 subject to AS 43.55.011(j), (k), or (o) may not exceed the product obtained by  
27 carrying out the calculation set out in AS 43.55.011(j)(1) or (2) or 43.55.011(o), as  
28 applicable, for gas or set out in AS 43.55.011(k)(1) or (2), as applicable, for oil, but  
29 substituting in AS 43.55.011(j)(1)(A) or (2)(A) or 43.55.011(o), as applicable, the  
30 amount of taxable gas produced during the month for the amount of taxable gas  
31 produced during the calendar year and substituting in AS 43.55.011(k)(1)(A) or

1 (2)(A), as applicable, the amount of taxable oil produced during the month for the  
2 amount of taxable oil produced during the calendar year;

3 (3) an installment payment of the estimated tax levied by  
4 AS 43.55.011(i) for each lease or property is due for each month of the calendar year  
5 on the last day of the following month; the amount of the installment payment is the  
6 sum of

7 (A) the applicable tax rate for oil provided under  
8 AS 43.55.011(i), multiplied by the gross value at the point of production of the  
9 oil taxable under AS 43.55.011(i) and produced from the lease or property  
10 during the month; and

11 (B) the applicable tax rate for gas provided under  
12 AS 43.55.011(i), multiplied by the gross value at the point of production of the  
13 gas taxable under AS 43.55.011(i) and produced from the lease or property  
14 during the month;

15 (4) any amount of tax levied by AS 43.55.011, net of any credits  
16 applied as allowed by law, that exceeds the total of the amounts due as installment  
17 payments of estimated tax is due on March 31 of the year following the calendar year  
18 of production."  
19

20 Renumber the following bill sections accordingly.

21  
22 Page 26, line 4:

23 Delete "9, 12, 13, and 28 - 30"

24 Insert "9, 10, 13, 14, and 29 - 31"

25  
26 Page 26, line 6:

27 Delete "Sections 10 and 27"

28 Insert "Sections 11 and 28"

29  
30 Page 26, line 8:

31 Delete "Sections 15 and 18 - 21"

1           Insert "Sections 16 and 19 - 22"

2

3   Page 26, line 10:

4           Delete "Sections 16, 19, and 24"

5           Insert "Sections 17, 20, and 25"

6

7   Page 26, line 12:

8           Delete "Section 17"

9           Insert "Section 18"

10

11   Page 26, line 22:

12           Delete "sec. 34"

13           Insert "sec. 35"

14

15   Page 26, line 30:

16           Delete "Sections 10, 18, 20, 21, 24, 27, and 35"

17           Insert "Sections 11, 19, 21, 22, 25, 28, and 36"

18

19   Page 26, line 31:

20           Delete "sec. 15"

21           Insert "sec. 16"

22

23   Page 27, line 1:

24           Delete "12 - 14, 16, 19, 22, 23, 28 - 33, and 36"

25           Insert "10, 13 - 15, 17, 20, 23, 24, 29 - 34, and 37"

26

27   Page 27, line 4:

28           Delete "secs. 42 and 43"

29           Insert "secs. 43 and 44"