

AMENDMENT #6

OFFERED IN THE SENATE
TO: CSSB 21(FIN)

BY: *Wierchowski*
Ellis
French
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1 Page 1, line 4, following "rate;":

2 Insert "relating to the minimum tax on oil and gas production;"

3

4 Page 5, following line 12:

5 Insert a new bill section to read:

6 **"* Sec. 10.** AS 43.55.011(f) is repealed and reenacted to read:

7 (f) Except for oil and gas subject to (i) of this section and gas subject to (o) of
8 this section, the provisions of this subsection apply to oil and gas produced from each
9 lease or property within a unit or nonunitized reservoir that has cumulatively produced
10 1,000,000,000 BTU equivalent barrels of oil or gas by the close of the most recent
11 calendar year and from which the average daily oil and gas production from the unit or
12 nonunitized reservoir during the most recent calendar year exceeded 100,000 BTU
13 equivalent barrels. Notwithstanding any contrary provision of law, a producer may not
14 apply tax credits to reduce its total tax liability under (e) of this section for oil and gas
15 produced from all leases or properties within the unit or nonunitized reservoir below
16 10 percent of the total gross value at the point of production of that oil and gas. If the
17 amount of tax calculated by multiplying the tax rates in (e) of this section by the total
18 production tax value of the oil and gas taxable under (e) of this section produced from
19 all of the producer's leases or properties within the unit or nonunitized reservoir is less
20 than 10 percent of the total gross value at the point of production of that oil and gas,
21 the tax levied by (e) of this section for that oil and gas is equal to 10 percent of the
22 total gross value at the point of production of that oil and gas."

23

1 Renumber the following bill sections accordingly.

2

3 Page 8, line 21:

4 Delete "sec. 11"

5 Insert "sec. 12"

6

7 Page 9, line 14, through page 10, line 1:

8 Delete all material and insert:

9 "(B) for oil and gas produced from leases or properties subject

10 to AS 43.55.011(f), **10 percent of the gross value at the point of production**

11 **of that oil and gas** [THE GREATEST OF

12 (i) ZERO;

13 (ii) ZERO PERCENT, ONE PERCENT, TWO

14 PERCENT, THREE PERCENT, OR FOUR PERCENT, AS

15 APPLICABLE, OF THE GROSS VALUE AT THE POINT OF

16 PRODUCTION OF THE OIL AND GAS PRODUCED FROM THE

17 LEASES OR PROPERTIES DURING THE MONTH FOR WHICH

18 THE INSTALLMENT PAYMENT IS CALCULATED; OR

19 (iii) THE SUM OF 25 PERCENT AND THE TAX

20 RATE CALCULATED FOR THE MONTH UNDER AS 43.55.011(g)

21 MULTIPLIED BY THE REMAINDER OBTAINED BY

22 SUBTRACTING 1/12 OF THE PRODUCER'S ADJUSTED LEASE

23 EXPENDITURES FOR THE CALENDAR YEAR OF PRODUCTION

24 UNDER AS 43.55.165 AND 43.55.170 THAT ARE DEDUCTIBLE

25 FOR THE OIL AND GAS UNDER AS 43.55.160 FROM THE

26 GROSS VALUE AT THE POINT OF PRODUCTION OF THE OIL

27 AND GAS PRODUCED FROM THOSE LEASES OR PROPERTIES

28 DURING THE MONTH FOR WHICH THE INSTALLMENT

29 PAYMENT IS CALCULATED;]"

30

31 Page 13, line 23:

1 Delete "sec. 16"

2 Insert "sec. 17"

3

4 Page 14, line 29:

5 Delete "sec. 18"

6 Insert "sec. 19"

7

8 Page 26, line 4:

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

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

11

12 Page 26, line 6:

13 Delete "Sections 10 and 27"

14 Insert "Sections 11 and 28"

15

16 Page 26, line 8:

17 Delete "Sections 15 and 18 - 21"

18 Insert "Sections 16 and 19 - 22"

19 Delete "sec. 15"

20 Insert "sec. 16"

21

22 Page 26, line 10:

23 Delete "Sections 16, 19, and 24"

24 Insert "Sections 17, 20, and 25"

25

26 Page 26, line 12:

27 Delete "Section 17"

28 Insert "Section 18"

29

30 Page 26, line 22:

31 Delete "sec. 34"

1 Insert "sec. 35"

2

3 Page 26, line 30:

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

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

6

7 Page 26, line 31:

8 Delete "sec. 15"

9 Insert "sec. 16"

10

11 Page 27, line 1:

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

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

14

15 Page 27, line 3:

16 Delete "Section 17"

17 Insert "Section 18"

18

19 Page 27, line 4:

20 Delete "secs. 42 and 43"

21 Insert "secs. 43 and 44"