

Gara ✓

29-GH2609L.16
Nauman/Shutts
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AMENDMENT #4

KAWAGAKI
Kreiss-Tomkins
WOOL
TARN
Drummond
Tuck
KITO

OFFERED IN THE HOUSE
TO: CSHB 247(FIN)

1 Page 1, line 3, following "tax;": (title amendment)

2 Insert "repealing a maximum production tax for certain oil;"

4 Page 5, following line 4:

5 Insert a new bill section to read:

6 **** Sec. 10.** AS 43.55.011(e) is amended to read:

7 (e) There is levied on the producer of oil or gas a tax for all oil and gas
8 produced each calendar year from each lease or property in the state, less any oil and
9 gas the ownership or right to which is exempt from taxation or constitutes a
10 landowner's royalty interest or for which a tax is levied by AS 43.55.014. Except as
11 otherwise provided under (f), (j), [(k),] (o), and (p) of this section, for oil and gas
12 produced

13 (1) before January 1, 2014, the tax is equal to the sum of

14 (A) the annual production tax value of the taxable oil and gas
15 as calculated under AS 43.55.160(a)(1) multiplied by 25 percent; and

16 (B) the sum, over all months of the calendar year, of the tax
17 amounts determined under (g) of this section;

18 (2) on and after January 1, 2014, and before January 1, 2022, the tax is
19 equal to the annual production tax value of the taxable oil and gas as calculated under
20 AS 43.55.160(a)(1) multiplied by 35 percent;

21 (3) on and after January 1, 2022, the tax for

22 (A) oil is equal to the annual production tax value of the
23 taxable oil as calculated under AS 43.55.160(h) multiplied by 35 percent;

1 (B) gas is equal to 13 percent of the gross value at the point of
2 production of the taxable gas; if the gross value at the point of production of
3 gas produced from a lease or property is less than zero, that gross value at the
4 point of production is considered zero for purposes of this subparagraph."
5

6 Renumber the following bill sections accordingly.
7

8 Page 7, line 8:

9 Delete ", (k),"

10 Insert "[, (k),]"

11

12 Page 7, line 11:

13 Delete ", (k),"

14 Insert "[, (k),]"

15

16 Page 7, line 13:

17 Delete ", (k),"

18 Insert "[, (k),]"

19

20 Page 7, line 15:

21 Delete "or (k) of this section for the production of oil"

22 Insert "[OR (k) OF THIS SECTION FOR THE PRODUCTION OF OIL]"

23

24 Page 7, line 19:

25 Delete ", (k),"

26 Insert "[, (k),]"

27

28 Page 9, line 4:

29 Delete "oil or"

30 Insert "[OIL OR]"

31 Delete ", (k),"

1 Insert "[, (k),]"

2

3 Page 9, line 28:

4 Delete "oil or"

5 Insert "[OIL OR]"

6

7 Page 9, line 29:

8 Delete ", (k),"

9 Insert "[, (k),]"

10

11 Page 9, line 31:

12 Delete "or set out in AS 43.55.011(k)(1) or (2), as applicable, for oil"

13 Insert "[OR SET OUT IN AS 43.55.011(k)(1) OR (2), AS APPLICABLE, FOR OIL]"

14

15 Page 10, lines 3 - 5:

16 Delete "and substituting in AS 43.55.011(k)(1)(A) or (2)(A), as applicable, the amount
17 of taxable oil produced during the month for the amount of taxable oil produced during the
18 calendar year"

19 Insert "[AND SUBSTITUTING IN AS 43.55.011(k)(1)(A) OR (2)(A), AS
20 APPLICABLE, THE AMOUNT OF TAXABLE OIL PRODUCED DURING THE MONTH
21 FOR THE AMOUNT OF TAXABLE OIL PRODUCED DURING THE CALENDAR
22 YEAR]"

23

24 Page 11, line 27:

25 Delete "oil or"

26 Insert "[OIL OR]"

27 Delete ", (k),"

28 Insert "[, (k),]"

29

30 Page 12, line 2:

31 Delete "oil or gas, respectively,"

1 Insert "[OIL OR] gas [, RESPECTIVELY,]"

2

3 Page 12, line 4:

4 Delete "oil or gas, respectively,"

5 Insert "[OIL OR] gas [, RESPECTIVELY,]"

6

7 Page 12, line 18:

8 Delete "oil or"

9 Insert "[OIL OR]"

10

11 Page 12, line 19:

12 Delete ", (k),"

13 Insert "[, (k),]"

14

15 Page 12, line 21:

16 Delete "or set out in AS 43.55.011(k)(1) or (2), as applicable, for oil"

17 Insert "[OR SET OUT IN AS 43.55.011(k)(1) OR (2), AS APPLICABLE, FOR OIL]"

18

19 Page 12, lines 24 - 26:

20 Delete "and substituting in AS 43.55.011(k)(1)(A) or (2)(A), as applicable, the amount
21 of taxable oil produced during the month for the amount of taxable oil produced during the
22 calendar year"

23 Insert "[AND SUBSTITUTING IN AS 43.55.011(k)(1)(A) OR (2)(A), AS
24 APPLICABLE, THE AMOUNT OF TAXABLE OIL PRODUCED DURING THE MONTH
25 FOR THE AMOUNT OF TAXABLE OIL PRODUCED DURING THE CALENDAR
26 YEAR]"

27

28 Page 25, following line 12:

29 Insert a new bill section to read:

30 **** Sec. 32.** AS 43.55.160(e) is amended to read:

31 (e) Any adjusted lease expenditures under AS 43.55.165 and 43.55.170 that

1 would otherwise be deductible by a producer in a calendar year but whose deduction
2 would cause an annual production tax value calculated under (a)(1) or (h) of this
3 section of taxable oil or gas produced during the calendar year to be less than zero
4 may be used to establish a carried-forward annual loss under AS 43.55.023(b).
5 However, the department shall provide by regulation a method to ensure that, for a
6 period for which a producer's tax liability is limited by AS 43.55.011(j), [(k),] (o), or
7 (p), **or former AS 43.55.011(k)**, any adjusted lease expenditures under AS 43.55.165
8 and 43.55.170 that would otherwise be deductible by a producer for that period but
9 whose deduction would cause a production tax value calculated under (a)(1)(C), (D),
10 (E), or (F), or (h)(3) of this section to be less than zero are accounted for as though the
11 adjusted lease expenditures had first been used as deductions in calculating the
12 production tax values of oil or gas subject to any of the limitations under
13 AS 43.55.011(j), [(k),] (o), or (p) **or former AS 43.55.011(k)** that have positive
14 production tax values so as to reduce the tax liability calculated without regard to the
15 limitation to the maximum amount provided for under the applicable provision of
16 AS 43.55.011(j), [(k),] (o), or (p) **or former AS 43.55.011(k)**. Only the amount of
17 those adjusted lease expenditures remaining after the accounting provided for under
18 this subsection may be used to establish a carried-forward annual loss under
19 AS 43.55.023(b). In this subsection, "producer" includes "explorer."

20
21 Renumber the following bill sections accordingly.

22
23 Page 35, line 10:

24 Delete "26, and 27"

25 Insert "27, and 28"

26
27 Page 35, lines 15 - 16:

28 Delete "sec. 42"

29 Insert "sec. 44"

30
31 Page 35, line 17:

- 1 Delete "secs. 17, 18, 28, 35, and 36"
- 2 Insert "secs. 18, 19, 29, 37, and 38"
- 3
- 4 Page 35, line 18:
 - 5 Delete "sec. 42"
 - 6 Insert "sec. 44"
 - 7
- 8 Page 35, line 21:
 - 9 Delete "sec. 42"
 - 10 Insert "sec. 44"
 - 11
- 12 Page 35, line 23:
 - 13 Delete "sec. 42"
 - 14 Insert "sec. 44"
 - 15
- 16 Page 35, line 26:
 - 17 Delete "sec. 42"
 - 18 Insert "sec. 44"
 - 19
- 20 Page 35, line 29:
 - 21 Delete "sec. 42"
 - 22 Insert "sec. 44"
 - 23
- 24 Page 35, line 31:
 - 25 Delete "sec. 42"
 - 26 Insert "sec. 44"
 - 27
- 28 Page 36, line 4:
 - 29 Delete "sec. 33"
 - 30 Insert "sec. 35"
 - 31

1 Page 36, line 5:

2 Delete "sec. 42"

3 Insert "sec. 44"

4

5 Page 36, line 7:

6 Delete "sec. 42"

7 Insert "sec. 44"

8

9 Page 37, line 2:

10 Delete "Sections 24, 43, and 47"

11 Insert "Sections 25, 45, and 49"

12

13 Page 37, line 4:

14 Delete "Sections 17, 18, 28 - 30, 33 - 37, 39, 42, 45, and 46"

15 Insert "Sections 18, 19, 29 - 31, 35 - 39, 41, 44, 47, and 48"

16

17 Page 37, line 6:

18 Delete "secs. 49 and 50"

19 Insert "secs. 51 and 52"