

AMENDMENT # 10 BY SEN.
WIELECHOWSKI

OFFERED IN THE SENATE

TO: SCS 2d CSHB 247(FIN)

1 Page 6, following line 11:

2 Insert a new bill section to read:

3 **** Sec. 14.** AS 43.55.011(f) is amended to read:

4 (f) The levy of tax under (e) of this section for

5 (1) oil and gas produced before **July 1, 2016** [JANUARY 1, 2022],
6 from leases or properties that include land north of 68 degrees North latitude, other
7 than gas subject to (o) of this section, may not be less than

8 (A) four percent of the gross value at the point of production
9 when the average price per barrel for Alaska North Slope crude oil for sale on
10 the United States West Coast during the calendar year for which the tax is due
11 is more than \$25;

12 (B) three percent of the gross value at the point of production
13 when the average price per barrel for Alaska North Slope crude oil for sale on
14 the United States West Coast during the calendar year for which the tax is due
15 is over \$20 but not over \$25;

16 (C) two percent of the gross value at the point of production
17 when the average price per barrel for Alaska North Slope crude oil for sale on
18 the United States West Coast during the calendar year for which the tax is due
19 is over \$17.50 but not over \$20;

20 (D) one percent of the gross value at the point of production
21 when the average price per barrel for Alaska North Slope crude oil for sale on
22 the United States West Coast during the calendar year for which the tax is due
23 is over \$15 but not over \$17.50; or

1 (E) zero percent of the gross value at the point of production
2 when the average price per barrel for Alaska North Slope crude oil for sale on
3 the United States West Coast during the calendar year for which the tax is due
4 is \$15 or less; [AND]

5 (2) oil and gas produced on and after January 1, 2017, but before
6 January 1, 2022, from leases or properties that include land north of 68 degrees
7 North latitude,

8 (A) by a producer that does not qualify under (B) of this
9 paragraph, may not be less than

10 (i) 10 percent of the gross value at the point of
11 production when the average price per barrel for Alaska North
12 Slope crude oil for sale on the United States West Coast during the
13 calendar year for which the tax is due is more than \$85;

14 (ii) nine percent of the gross value at the point of
15 production when the average price per barrel for Alaska North
16 Slope crude oil for sale on the United States West Coast during the
17 calendar year for which the tax is due is over \$80 but not over \$85;

18 (iii) eight percent of the gross value at the point of
19 production when the average price per barrel for Alaska North
20 Slope crude oil for sale on the United States West Coast during the
21 calendar year for which the tax is due is over \$75 but not over \$80;

22 (iv) seven percent of the gross value at the point of
23 production when the average price per barrel for Alaska North
24 Slope crude oil for sale on the United States West Coast during the
25 calendar year for which the tax is due is over \$70 but not over \$75;

26 (v) six percent of the gross value at the point of
27 production when the average price per barrel for Alaska North
28 Slope crude oil for sale on the United States West Coast during the
29 calendar year for which the tax is due is over \$65 but not over \$70;

30 (vi) five percent of the gross value at the point of
31 production when the average price per barrel for Alaska North

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Slope crude oil for sale on the United States West Coast during the calendar year for which the tax is due is over \$60 but not over \$65;
or

(vii) four percent of the gross value at the point of production when the average price per barrel for Alaska North Slope crude oil for sale on the United States West Coast during the calendar year for which the tax is due is \$60 or less; or

(B) by a producer that produces less than an average of 30,000 barrels of oil a day, in total, from leases or properties located north of 68 degrees North latitude and that produces oil or gas that qualifies for a reduction in the gross value of the point of production under AS 43.55.160(f) may not be less than

(i) 10 percent of the gross value at the point of production when the average price per barrel for Alaska North Slope crude oil for sale on the United States West Coast during the calendar year for which the tax is due is more than \$100;

(ii) nine percent of the gross value at the point of production when the average price per barrel for Alaska North Slope crude oil for sale on the United States West Coast during the calendar year for which the tax is due is over \$95 but not over \$100;

(iii) eight percent of the gross value at the point of production when the average price per barrel for Alaska North Slope crude oil for sale on the United States West Coast during the calendar year for which the tax is due is over \$90 but not over \$95;

(iv) seven percent of the gross value at the point of production when the average price per barrel for Alaska North Slope crude oil for sale on the United States West Coast during the calendar year for which the tax is due is over \$85 but not over \$90;

(v) six percent of the gross value at the point of production when the average price per barrel for Alaska North

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Slope crude oil for sale on the United States West Coast during the calendar year for which the tax is due is over \$80 but not over \$85;

(vi) five percent of the gross value at the point of production when the average price per barrel for Alaska North Slope crude oil for sale on the United States West Coast during the calendar year for which the tax is due is over \$75 but not over \$80;

or

(vii) four percent of the gross value at the point of production when the average price per barrel for Alaska North Slope crude oil for sale on the United States West Coast during the calendar year for which the tax is due is \$75 or less; and

(3) oil produced on and after January 1, 2022, from leases or properties that include land north of 68 degrees North latitude,

(A) by a producer that does not qualify under (B) of this paragraph, may not be less than

(i) 10 [(A) FOUR] percent of the gross value at the point of production when the average price per barrel for Alaska North Slope crude oil for sale on the United States West Coast during the calendar year for which the tax is due is more than \$85 [\$25];

(ii) nine [(B) THREE] percent of the gross value at the point of production when the average price per barrel for Alaska North Slope crude oil for sale on the United States West Coast during the calendar year for which the tax is due is over \$80 [\$20] but not over \$85 [\$25];

(iii) eight [(C) TWO] percent of the gross value at the point of production when the average price per barrel for Alaska North Slope crude oil for sale on the United States West Coast during the calendar year for which the tax is due is over \$75 [\$17.50] but not over \$80 [\$20];

(iv) seven [(D) ONE] percent of the gross value at the point of production when the average price per barrel for Alaska North

1 Slope crude oil for sale on the United States West Coast during the
2 calendar year for which the tax is due is over \$70 [\$15] but not over
3 \$75;

4 (v) six percent of the gross value at the point of
5 production when the average price per barrel for Alaska North
6 Slope crude oil for sale on the United States West Coast during the
7 calendar year for which the tax is due is over \$65 but not over \$70;

8 (vi) five percent of the gross value at the point of
9 production when the average price per barrel for Alaska North
10 Slope crude oil for sale on the United States West Coast during the
11 calendar year for which the tax is due is over \$60 but not over \$65
12 [\$17.50]; or

13 (vii) four [(E) ZERO] percent of the gross value at the
14 point of production when the average price per barrel for Alaska North
15 Slope crude oil for sale on the United States West Coast during the
16 calendar year for which the tax is due is \$60 [\$15] or less; or

17 (B) by a producer that produces less than an average of
18 30,000 barrels of oil a day, in total, from leases or properties located north
19 of 68 degrees North latitude and that produces oil that qualifies for a
20 reduction in the gross value of the point of production under
21 AS 43.55.160(f) may not be less than

22 (i) 10 percent of the gross value at the point of
23 production when the average price per barrel for Alaska North
24 Slope crude oil for sale on the United States West Coast during the
25 calendar year for which the tax is due is more than \$100;

26 (ii) nine percent of the gross value at the point of
27 production when the average price per barrel for Alaska North
28 Slope crude oil for sale on the United States West Coast during the
29 calendar year for which the tax is due is over \$95 but not over
30 \$100;

31 (iii) eight percent of the gross value at the point of

1 production when the average price per barrel for Alaska North
2 Slope crude oil for sale on the United States West Coast during the
3 calendar year for which the tax is due is over \$90 but not over \$95;
4 (iv) seven percent of the gross value at the point of
5 production when the average price per barrel for Alaska North
6 Slope crude oil for sale on the United States West Coast during the
7 calendar year for which the tax is due is over \$85 but not over \$90;
8 (v) six percent of the gross value at the point of
9 production when the average price per barrel for Alaska North
10 Slope crude oil for sale on the United States West Coast during the
11 calendar year for which the tax is due is over \$80 but not over \$85;
12 (vi) five percent of the gross value at the point of
13 production when the average price per barrel for Alaska North
14 Slope crude oil for sale on the United States West Coast during the
15 calendar year for which the tax is due is over \$75 but not over \$80;
16 or
17 (vii) four percent of the gross value at the point of
18 production when the average price per barrel for Alaska North
19 Slope crude oil for sale on the United States West Coast during the
20 calendar year for which the tax is due is \$75 or less."

21
22 Renumber the following bill sections accordingly.

23
24 Page 11, line 22:

- 25 Delete "or four percent"
- 26 Insert "[OR] four percent, or five percent"

27
28 Page 13, lines 14 - 15:

- 29 Delete "zero percent, one percent, two percent, three percent, or four percent, as
- 30 applicable,"
- 31 Insert "five [ZERO] percent [, ONE PERCENT, TWO PERCENT, THREE

1 PERCENT, OR FOUR PERCENT, AS APPLICABLE,]"

2

3 Page 15, line 28:

4 Delete "AS 43.55.011(f)(1) or (2)"

5 Insert "AS 43.55.011(f) [AS 43.55.011(f)(1) OR (2)]"

6

7 Page 15, lines 29 - 30:

8 Delete "AS 43.55.011(f)(1) and (2)"

9 Insert "AS 43.55.011(f) [AS 43.55.011(f)(1) AND (2)]"

10

11 Page 16, following line 9:

12 Insert a new bill section to read:

13 **** Sec. 19.** AS 43.55 is amended by adding a new section to read:

14 **Sec. 43.55.022. Limitations on tax credits.** (a) Notwithstanding any contrary
15 provision of this chapter, the application of tax credits under this chapter is subject to
16 the limitations set out in this section.

17 (b) A tax credit or a fraction of a tax credit under AS 43.55.023, 43.55.024,
18 and 43.55.025 may not be subtracted in calculating an installment payment of
19 estimated tax required under AS 43.55.020(a) if the resulting amount of the
20 installment payment would be less than the amount in AS 43.55.020(a)(5)(B)(ii) or
21 43.55.020(a)(7)(A)(ii), as applicable.

22 (c) The total amount of tax credits under AS 43.55.023, 43.55.024, and
23 43.55.025 that may be applied against a tax levied by AS 43.55.011(e) for a calendar
24 year may not exceed the sum of the amount of the tax credits or fractions of tax credits
25 that are allowed under (b) of this section to be subtracted in calculating the installment
26 payments of estimated tax for each month in the calendar year."

27

28 Renumber the following bill sections accordingly.

29

30 Page 17, line 28:

31 Delete "sec. 19"

1 Insert "sec. 21"

2

3 Page 18, following line 25:

4 Insert a new bill section to read:

5 **** Sec. 23.** AS 43.55.023(c) is amended to read:

6 (c) A credit or portion of a credit under this section may not be used to reduce
7 a person's tax liability under AS 43.55.011(e) for any calendar year below **the amount**
8 **calculated under AS 43.55.011(f)** [ZERO], and any unused credit or portion of a
9 credit not used under this subsection may be applied in a later calendar year."

10

11 Renumber the following bill sections accordingly.

12

13 Page 20, following line 15:

14 Insert new bill sections to read:

15 **** Sec. 27.** AS 43.55.024(f) is amended to read:

16 (f) A tax credit authorized by (a) of this section may not be applied to reduce a
17 producer's tax liability for any calendar year under AS 43.55.011(e) on oil and gas
18 produced from leases or properties outside the Cook Inlet sedimentary basin, no part
19 of which is north of 68 degrees North latitude, below **the amount calculated under**
20 **AS 43.55.011(f)** [ZERO].

21 *** Sec. 28.** AS 43.55.024(g) is amended to read:

22 (g) A tax credit authorized by (c) of this section may not be applied to reduce
23 a producer's tax liability for any calendar year under AS 43.55.011(e) below **the**
24 **amount calculated under AS 43.55.011(f)** [ZERO]."

25

26 Renumber the following bill sections accordingly.

27

28 Page 20, line 23:

29 Delete "zero"

30 Insert "**the amount calculated under AS 43.55.011(f)** [ZERO]"

31

1 Page 21, following line 28:

2 Insert new bill sections to read:

3 **** Sec. 31.** AS 43.55.025(i) is amended to read:

4 (i) For a production tax credit under this section,

5 (1) a credit may not be applied to reduce a taxpayer's tax liability under
6 AS 43.55.011(e) below **the amount calculated under AS 43.55.011(f)** [ZERO] for a
7 calendar year; and

8 (2) an amount of the production tax credit in excess of the amount that
9 may be applied for a calendar year under this subsection may be carried forward and
10 applied against the taxpayer's tax liability under AS 43.55.011(e) in one or more later
11 calendar years.

12 *** Sec. 32.** AS 43.55.025 is amended by adding a new subsection to read:

13 (q) A credit or portion of a credit under this section may not be used to reduce
14 a person's tax liability under AS 43.55.011(e) for any calendar year below the amount
15 calculated under AS 43.55.011(f)."
16

17 Renumber the following bill sections accordingly.

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19 Page 23, line 20:

20 Delete "sec. 28"

21 Insert "sec. 35"

22

23 Page 26, following line 19:

24 Insert a new bill section to read:

25 **** Sec. 41.** AS 43.55.150 is amended by adding a new subsection to read:

26 (d) The gross value at the point of production may not be less than zero."
27

28 Renumber the following bill sections accordingly.

29

30 Page 35, line 21:

31 Delete "sec. 27"

- 1 Insert "sec. 34"
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- 3 Page 35, line 22:
- 4 Delete "sec. 30"
- 5 Insert "sec. 37"
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- 7 Page 35, line 24:
- 8 Delete "sec. 29"
- 9 Insert "sec. 36"
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- 11 Page 35, line 25:
- 12 Delete "27, 29, and 30"
- 13 Insert "34, 36, and 37"
- 14
- 15 Page 35, line 26:
- 16 Delete "sec. 15"
- 17 Insert "sec. 16"
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- 19 Page 35, line 27:
- 20 Delete "sec. 15"
- 21 Insert "sec. 16"
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- 23 Page 35, line 31:
- 24 Delete "sec. 45"
- 25 Insert "sec. 53"
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- 27 Page 36, line 1:
- 28 Delete "secs. 26 and 29"
- 29 Insert "secs. 33 and 36"
- 30
- 31 Page 36, line 3:

- 1 Delete "sec. 45"
- 2 Insert "sec. 53"
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- 4 Page 36, line 5:
 - 5 Delete "sec. 45"
 - 6 Insert "sec. 53"
 - 7
- 8 Page 36, line 7:
 - 9 Delete "secs. 26 and 29"
 - 10 Insert "secs. 33 and 36"
 - 11
- 12 Page 36, line 8:
 - 13 Delete "sec. 45"
 - 14 Insert "sec. 53"
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- 16 Page 36, line 10:
 - 17 Delete "sec. 45"
 - 18 Insert "sec. 53"
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- 20 Page 36, line 12:
 - 21 Delete "sec. 45"
 - 22 Insert "sec. 53"
 - 23
- 24 Page 36, lines 16 - 17:
 - 25 Delete "sec. 45"
 - 26 Insert "sec. 53"
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- 28 Page 36, line 17:
 - 29 Delete "secs. 21 and 22"
 - 30 Insert "secs. 24 and 25"
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- 1 Page 36, line 18:
- 2 Delete "sec. 31"
- 3 Insert "sec. 38"
- 4 Delete "sec. 38"
- 5 Insert "sec. 46"
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- 7 Page 36, line 19:
- 8 Delete "sec. 39"
- 9 Insert "sec. 47"
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- 11 Page 36, line 21:
- 12 Delete "sec. 45"
- 13 Insert "sec. 53"
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- 15 Page 36, line 24:
- 16 Delete "sec. 45"
- 17 Insert "sec. 53"
- 18
- 19 Page 36, line 26:
- 20 Delete "sec. 45"
- 21 Insert "sec. 53"
- 22
- 23 Page 36, line 29:
- 24 Delete "sec. 45"
- 25 Insert "sec. 53"
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- 27 Page 37, line 1:
- 28 Delete "sec. 45"
- 29 Insert "sec. 53"
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- 31 Page 37, lines 2 - 3:

- 1 Delete "sec. 45"
- 2 Insert "sec. 53"
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- 4 Page 37, line 7:
 - 5 Delete "sec. 20"
 - 6 Insert "sec. 22"
 - 7
- 8 Page 37, line 8:
 - 9 Delete "sec. 20"
 - 10 Insert "sec. 22"
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- 12 Page 37, line 12:
 - 13 Delete "sec. 20"
 - 14 Insert "sec. 22"
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- 16 Page 37, line 16:
 - 17 Delete "sec. 36"
 - 18 Insert "sec. 44"
 - 19
- 20 Page 37, line 17:
 - 21 Delete "sec. 45"
 - 22 Insert "sec. 53"
 - 23
- 24 Page 37, line 20:
 - 25 Delete "sec. 45"
 - 26 Insert "sec. 53"
 - 27
- 28 Page 38, line 15:
 - 29 Delete "Sections 51 and 52"
 - 30 Insert "Sections 59 and 60"
 - 31

1 Page 38, line 16:

2 Delete "Sections 20 - 22, 26, 29, 31 - 33, 36 - 40, 45, 47 - 50"

3 Insert "Sections 22, 24, 25, 33, 36, 38 - 40, 44 - 48, 53, 55 - 58"

4

5 Page 38, line 17:

6 Delete "sec. 42"

7 Insert "sec. 50"

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9 Page 38, line 18:

10 Delete "secs. 53 and 54"

11 Insert "secs. 61 and 62"