

AMENDMENT #12 BY SEN.  
MACKINNON

OFFERED IN THE SENATE

TO: SCS 2d CSHB 247(FIN)

1 Page 2, lines 1 - 3:

2 Delete "(1) verify regular production for the purposes of AS 43.55.023(b) and (l); and  
3 (2)"

4

5 Page 13, lines 11 - 12:

6 Delete "that include land north of 68 degrees North latitude"

7 Insert "subject to AS 43.55.011(f) [THAT INCLUDE LAND NORTH OF 68  
8 DEGREES NORTH LATITUDE]"

9

10 Page 15, line 1, following "state":

11 Insert "outside the Cook Inlet sedimentary basin"

12

13 Page 16, line 17, following "expenditure":

14 Insert "to explore for, develop, or produce oil or gas deposits located"

15

16 Page 20, line 9:

17 Delete "state south of 68 degrees North latitude"

18 Insert "Cook Inlet sedimentary basin [STATE SOUTH OF 68 DEGREES NORTH  
19 LATITUDE]"

20

21 Page 21, line 29, through page 22, line 3:

22 Delete all material.

23

1 Renumber the following bill sections accordingly.

2

3 Page 23, line 20, through page 24, line 9:

4 Delete all material.

5

6 Renumber the following bill sections accordingly.

7

8 Page 28, lines 3 - 8:

9 Delete "For oil or gas first produced after December 31, 2016, a reduction  
10 allowed under this subsection applies to oil or gas produced from a lease or property for  
11 the first seven years after the commencement of regular production of oil or gas from  
12 that lease or property. For oil or gas first produced before January 1, 2017, a reduction  
13 allowed under this subsection for a lease or property expires January 1, 2023."

14 Insert "For oil and gas first produced from a lease or property after December 31,  
15 2016, a reduction allowed under this subsection applies from the date of commencement  
16 of regular production of oil and gas from that lease or property and expires after three  
17 years, consecutive or nonconsecutive, in which the average annual price per barrel for  
18 Alaska North Slope crude oil for sale on the United States West Coast is more than \$70  
19 or after seven years, whichever occurs first. For oil and gas first produced from a lease  
20 or property before January 1, 2017, a reduction allowed under this subsection expires  
21 on the earlier of January 1, 2023, or January 1 following three years, consecutive or  
22 nonconsecutive, in which the average annual price per barrel for Alaska North Slope  
23 crude oil for sale on the United States West Coast is more than \$70."

24

25 Page 28, following line 11:

26 Insert a new bill section to read:

27 **\*\* Sec. 34.** AS 43.55.160(h) is amended to read:

28 (h) For oil produced on and after January 1, 2022, except as provided in (b),  
29 (f), and (g) of this section, for the purposes of AS 43.55.011(e)(3), the annual  
30 production tax value of oil taxable under AS 43.55.011(e) produced by a producer  
31 during a calendar year

1 (1) from leases or properties in the state that include land north of 68  
2 degrees North latitude is the gross value at the point of production of that oil, less the  
3 producer's lease expenditures under AS 43.55.165 for the calendar year incurred to  
4 explore for, develop, or produce oil and gas deposits located in the state north of 68  
5 degrees North latitude or located in leases or properties in the state that include land  
6 north of 68 degrees North latitude, as adjusted under AS 43.55.170;

7 (2) before or during the last calendar year under AS 43.55.024(b) for  
8 which the producer could take a tax credit under AS 43.55.024(a), from leases or  
9 properties in the state outside the Cook Inlet sedimentary basin, no part of which is  
10 north of 68 degrees North latitude, other than leases or properties subject to  
11 AS 43.55.011(p), is the gross value at the point of production of that oil, less the  
12 producer's lease expenditures under AS 43.55.165 for the calendar year incurred to  
13 explore for, develop, or produce oil and gas deposits located in the state outside the  
14 Cook Inlet sedimentary basin and south of 68 degrees North latitude, other than oil  
15 and gas deposits located in a lease or property that includes land north of 68 degrees  
16 North latitude or that is subject to AS 43.55.011(p) or, before January 1, 2027, from  
17 which commercial production has not begun, as adjusted under AS 43.55.170;

18 (3) from leases or properties subject to AS 43.55.011(p) is the gross  
19 value at the point of production of that oil, less the producer's lease expenditures under  
20 AS 43.55.165 for the calendar year incurred to explore for, develop, or produce oil and  
21 gas deposits located in leases or properties subject to AS 43.55.011(p) or, before  
22 January 1, 2027, located in leases or properties in the state outside the Cook Inlet  
23 sedimentary basin, no part of which is north of 68 degrees North latitude from which  
24 commercial production has not begun, as adjusted under AS 43.55.170;

25 (4) from leases or properties in the state no part of which is north of 68  
26 degrees North latitude, other than leases or properties subject to (2) or (3) of this  
27 subsection, is the gross value at the point of production of that oil less the producer's  
28 lease expenditures under AS 43.55.165 for the calendar year incurred to explore for,  
29 develop, or produce oil and gas deposits located in the state south of 68 degrees North  
30 latitude, other than oil and gas deposits located in a lease or property in the state that  
31 includes land north of 68 degrees North latitude, and excluding lease expenditures that

1 are deductible under (2) or (3) of this subsection or would be deductible under (2) or  
2 (3) of this subsection if not prohibited by (b) of this section, as adjusted under  
3 AS 43.55.170; a separate annual production tax value shall be calculated for

4 (A) oil produced from each lease or property in the Cook  
5 Inlet sedimentary basin;

6 (B) oil produced from each lease or property outside the  
7 Cook Inlet sedimentary basin, no part of which is north of 68 degrees  
8 North latitude, other than leases or properties subject to (3) of this  
9 subsection."

10  
11 Renumber the following bill sections accordingly.

12  
13 Page 35, line 15:

14 Delete "AS 43.20.053;"

15  
16 Page 35, line 21:

17 Delete "sec. 27"

18 Insert "sec. 26"

19  
20 Page 35, line 22:

21 Delete "sec. 30"

22 Insert "sec. 28"

23  
24 Page 35, line 24:

25 Delete "sec. 29"

26 Insert "sec. 27"

27  
28 Page 35, line 25:

29 Delete "27, 29, and 30"

30 Insert "and 26 - 28"

- 1 Page 35, line 28, through page 36, line 12:
- 2 Delete all material.
- 3
- 4 Renumber the following bill sections accordingly.
- 5
- 6 Page 36, lines 16 - 17:
- 7 Delete "sec. 45"
- 8 Insert "sec. 44"
- 9
- 10 Page 36, line 18:
- 11 Delete "sec. 31"
- 12 Insert "sec. 29"
- 13 Delete "sec. 38"
- 14 Insert "sec. 37"
- 15
- 16 Page 36, line 19:
- 17 Delete "sec. 39"
- 18 Insert "sec. 38"
- 19
- 20 Page 36, line 21:
- 21 Delete "sec. 45"
- 22 Insert "sec. 44"
- 23
- 24 Page 36, line 24:
- 25 Delete "sec. 45"
- 26 Insert "sec. 44"
- 27
- 28 Page 36, line 26:
- 29 Delete "sec. 45"
- 30 Insert "sec. 44"
- 31

1 Page 36, line 29:

2 Delete "sec. 45"

3 Insert "sec. 44"

4

5 Page 37, line 1:

6 Delete "sec. 45"

7 Insert "sec. 44"

8

9 Page 37, lines 2 - 3:

10 Delete "sec. 45"

11 Insert "sec. 44"

12

13 Page 37, line 16:

14 Delete "sec. 36"

15 Insert "sec. 35"

16

17 Page 37, line 17:

18 Delete "sec. 45"

19 Insert "sec. 44"

20

21 Page 37, line 20:

22 Delete "sec. 45"

23 Insert "sec. 44"

24

25 Page 38, line 15:

26 Delete "Sections 51 and 52"

27 Insert "Sections 49 and 50"

28

29 Page 38, line 16:

30 Delete "26, 29, 31 - 33, 36 - 40, 45, 47 - 50"

31 Insert "29 - 31, 35 - 39, 44, 46 - 48"

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2 Page 38, line 17:

3 Delete "sec. 42"

4 Insert "sec. 41"

5

6 Page 38, line 18:

7 Delete "secs. 53 and 54"

8 Insert "secs. 51 and 52"