

AMENDMENT #3

OFFERED IN THE SENATE
TO: CSSB 39(L&C)

BY SENATOR WIELECHOWSKI

1 Page 1, line 1, following "credit;":

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

3

4 Page 1, following line 4:

5 Insert a new bill section to read:

6 **** Section 1.** AS 43.55.160(f) is amended to read:

7 (f) On and after January 1, 2014, in the calculation of an annual production tax
8 value of a producer under (a)(1)(A) or (h)(1) of this section, the gross value at the
9 point of production of oil or gas produced from a lease or property north of 68 degrees
10 North latitude [MEETING ONE OR MORE OF THE FOLLOWING CRITERIA] is
11 reduced by 10 [20] percent **for the first portion of a calendar year after the**
12 **commencement of commercial production and the three immediately following**
13 **calendar years, if** [: (1)] the oil or gas is produced from a lease or property that **is not**
14 **located within a unit established under AS 38.05.180(p) for more than 20 years**
15 **before the first commercial production on that lease or property, as that unit**
16 **existed on the effective date of this section, and is** [DOES NOT CONTAIN A
17 LEASE THAT WAS] within a unit **that did not have commercial production**
18 **before January 1, 2014** [ON JANUARY 1, 2003; (2) THE OIL OR GAS IS
19 PRODUCED FROM A PARTICIPATING AREA ESTABLISHED AFTER
20 DECEMBER 31, 2011, THAT IS WITHIN A UNIT FORMED UNDER
21 AS 38.05.180(p) BEFORE JANUARY 1, 2003, IF THE PARTICIPATING AREA
22 DOES NOT CONTAIN A RESERVOIR THAT HAD PREVIOUSLY BEEN IN A
23 PARTICIPATING AREA ESTABLISHED BEFORE DECEMBER 31, 2011; (3)

1 THE OIL OR GAS IS PRODUCED FROM ACREAGE THAT WAS ADDED TO
2 AN EXISTING PARTICIPATING AREA BY THE DEPARTMENT OF NATURAL
3 RESOURCES ON AND AFTER JANUARY 1, 2014, AND THE PRODUCER
4 DEMONSTRATES TO THE DEPARTMENT THAT THE VOLUME OF OIL OR
5 GAS PRODUCED IS FROM ACREAGE ADDED TO AN EXISTING
6 PARTICIPATING AREA]. This subsection does not apply to gas produced before
7 2022 that is used in the state or to gas produced on and after January 1, 2022. A
8 reduction under this subsection may not reduce the gross value at the point of
9 production below zero. [IN THIS SUBSECTION, "PARTICIPATING AREA"
10 MEANS A RESERVOIR OR PORTION OF A RESERVOIR PRODUCING OR
11 CONTRIBUTING TO PRODUCTION AS APPROVED BY THE DEPARTMENT
12 OF NATURAL RESOURCES.]"

13
14 Page 1, line 5:

15 Delete "**Section 1**"

16 Insert "**Sec. 2**"

17
18 Renumber the following bill sections accordingly.

19
20 Page 3, line 16:

21 Delete "sec. 7"

22 Insert "sec. 8"

23
24 Page 3, line 19:

25 Delete "sec. 7"

26 Insert "sec. 8"

27
28 Page 3, line 23:

29 Delete "sec. 7"

30 Insert "sec. 8"

1 Page 3, lines 25 - 26:

2 Delete "sec. 7"

3 Insert "sec. 8"

4

5 Page 3, following line 27:

6 Insert a new bill section to read:

7 **"* Sec. 13.** Section 1 of this Act takes effect January 1, 2016."

8

9 Renumber the following bill sections accordingly.

10

11 Page 3, line 28:

12 Delete "Sections 1, 3, 5 - 7, and 9 - 11"

13 Insert "Sections 2, 4, 6 - 8, and 10 - 12"

14

15 Page 3, line 29:

16 Delete "Section 2"

17 Insert "Section 3"

18

19 Page 3, line 31:

20 Delete "Section 4"

21 Insert "Section 5"

22

23 Page 4, line 2:

24 Delete "secs. 12 - 14"

25 Insert "secs. 13 - 16"