

SENATE BILL NO. 44

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTIETH LEGISLATURE - FIRST SESSION

BY SENATOR GARDNER

Introduced: 2/1/17

Referred: Resources, Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to information concerning oil and gas taxes, including information**
2 **about expenditures that must be provided to claim an oil and gas production tax credit**
3 **for those expenditures; relating to the disclosure of that information; and providing for**
4 **an effective date."**

5 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

6 * **Section 1.** AS 43.05.230(a) is amended to read:

7 (a) It is unlawful for a current or former officer, employee, or agent of the
8 state to divulge the amount of income or the particulars set out or disclosed in a report
9 or return made under this title, except

10 (1) in connection with official investigations or proceedings of the
11 department, whether judicial or administrative, involving taxes due under this title;

12 (2) in connection with official investigations or proceedings of the
13 child support enforcement agency, whether judicial or administrative, involving child
14 support obligations imposed or imposable under AS 25 or AS 47;

(3) as provided in AS 38.05.036 pertaining to audit functions of the Department of Natural Resources;

(4) as provided in AS 43.05.405 - 43.05.499; and

(5) as otherwise provided in this section, AS 43.55.030(g), or 43.55.890 [OR AS 43.55.890].

* Sec. 2. AS 43.05.230(l) is amended to read:

(l) The [FOR TAX CREDIT CERTIFICATES PURCHASED BY THE DEPARTMENT IN THE PRECEDING CALENDAR YEAR UNDER AS 43.55.028, THE] department shall make the following information public by April 30 of each year:

(1) for tax credit certificates issued or purchased by the department in the preceding calendar year under AS 43.55.028:

(A) the name of each person to which a transferable tax certificate was issued or from which the department purchased a transferable tax credit certificate; and

(B) [(2)] the aggregate amount of the tax credit certificates purchased from the person in the preceding calendar year;

(C) the aggregate amount of the tax credit certificates issued to the person in the preceding calendar year; and

(2) unless otherwise prohibited by law, information submitted during the previous calendar year under AS 43.55.030(a)(10) and (e)(3).

* Sec. 3. AS 43.55.030(a) is amended to read:

(a) A producer that produces oil or gas from a lease or property in the state during a calendar year, whether or not any tax payment is due under AS 43.55.020(a) for that oil or gas, shall file with the department on March 31 of the following year a statement, under oath, in a form prescribed by the department, giving, with other information required under a regulation adopted by the department, the following:

(1) a description of each lease or property from which oil or gas was produced, by name, legal description, lease number, or accounting codes assigned by the department;

(2) the names of the producer and, if different, the person paying the

1 tax, if any;

2 (3) the gross amount of oil and the gross amount of gas produced from
3 each lease or property, separately identifying the gross amount of gas produced from
4 each oil and gas lease to which an effective election under AS 43.55.014(a) applies,
5 the amount of gas delivered to the state under AS 43.55.014(b), and the percentage of
6 the gross amount of oil and gas owned by the producer;

7 (4) the gross value at the point of production of the oil and of the gas
8 produced from each lease or property owned by the producer and the costs of
9 transportation of the oil and gas;

10 (5) the name of the first purchaser and the price received for the oil and
11 for the gas, unless relieved from this requirement in whole or in part by the
12 department;

13 (6) the producer's qualified capital expenditures, as defined in
14 AS 43.55.023, other lease expenditures under AS 43.55.165, and adjustments or other
15 payments or credits under AS 43.55.170;

16 (7) the production tax values of the oil and gas under AS 43.55.160(a)
17 or of the oil under AS 43.55.160(h), as applicable;

18 (8) any claims for tax credits to be applied; [AND]

19 (9) calculations showing the amounts, if any, that were or are due
20 under AS 43.55.020(a) and interest on any underpayment or overpayment; **and**

21 **(10) for each expenditure that is the basis for a credit claimed**
22 **under AS 43.55.023 or 43.55.025, a description of the expenditure, a detailed**
23 **description of the purpose of the expenditure, and a description of the lease or**
24 **property for which the expenditure was incurred; in addition, for a credit**
25 **claimed under AS 43.55.023(b), a producer shall provide the proportion of a lease**
26 **expenditure attributable to a credit being claimed under AS 43.55.023(b).**

27 * **Sec. 4.** AS 43.55.030(e) is amended to read:

28 (e) An explorer or producer that incurs a lease expenditure under
29 AS 43.55.165 or receives a payment or credit under AS 43.55.170 during a calendar
30 year but does not produce oil or gas from a lease or property in the state during the
31 calendar year shall file with the department, on March 31 of the following year, a

statement, under oath, in a form prescribed by the department, giving, with other information required under a regulation adopted by the department, the following:

(1) the explorer's or producer's qualified capital expenditures, as defined in AS 43.55.023, other lease expenditures under AS 43.55.165, and adjustments or other payments or credits under AS 43.55.170; [AND]

(2) if the explorer or producer receives a payment or credit under AS 43.55.170, calculations showing whether the explorer or producer is liable for a tax under AS 43.55.160(d) or 43.55.170(b) and, if so, the amount; and

(3) for each expenditure that is the basis for a credit claimed under this chapter, a description of the expenditure, a detailed description of the purpose of the expenditure, and a description of the lease or property for which the expenditure was incurred; in addition, for a credit claimed under AS 43.55.023(b), an explorer or producer shall provide the proportion of a lease expenditure attributable to a credit being claimed under AS 43.55.023(b).

* **Sec. 5.** AS 43.55.030 is amended by adding a new subsection to read:

(g) Notwithstanding AS 43.05.230(a), the department shall annually report the information submitted during the previous calendar year under (a)(10) and (e)(3) of this section to the legislature within 10 days after the convening of each regular legislative session. The department shall deliver the information to the senate secretary and the chief clerk of the house of representatives and notify the legislature that the information is available.

* **Sec. 6.** This Act takes effect July 1, 2017.