

Fiscal Note

State of Alaska
2019 Legislative Session

Bill Version:	HB 87
Fiscal Note Number:	1
(H) Publish Date:	3/22/2019

Identifier: HB087-DOR-TAX-3-15-2019
 Title: LIQUEFIED NATURAL GAS STORAGE TAX
 CREDIT
 Sponsor: THOMPSON
 Requester: (H) Energy

Department: Department of Revenue
 Appropriation: Taxation and Treasury
 Allocation: Tax Division
 OMB Component Number: 2476

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2020	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2020 Request	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
OPERATING EXPENDITURES	FY 2020	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

None			***				
Total	0.0	0.0	***	0.0	0.0	0.0	0.0

Estimated SUPPLEMENTAL (FY2019) cost: 0.0 *(separate supplemental appropriation required)*

Estimated CAPITAL (FY2020) cost: 0.0 *(separate capital appropriation required)*

Does the bill create or modify a new fund or account? No
(Supplemental/Capital/New Fund - discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
 If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version/comments:

Initial Version based on the 2-13-19 Governor's FY2020 request.

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Division:	Tax Division	Date:	03/15/2019
Approved By:	Brad Ewing, Administrative Services Director	Date:	03/16/19
Agency:	Office of Management and Budget		

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2019 LEGISLATIVE SESSION

Analysis

***The revenue impact of this bill is indeterminate.

The existing liquefied natural gas (LNG) storage facility tax credit under AS 43.20.047 applies to a facility that commences commercial operation before January 1, 2020. This bill extends the credit to a facility that commences commercial operation before June 30, 2021.

The affected entities are owner(s) of LNG storage facilities. They can include corporations and partnerships. The maximum amount of the credit an entity may claim is the lesser of \$15 million or 50% of the costs incurred to establish or expand the facility. The facility must have a liquefied natural gas storage volume of not less than 25,000 gallons of liquefied natural gas, or if the credit is claimed for expansion of the facility, the expansion must increase capacity by not less than 25,000 gallons of liquefied natural gas. It must also be regulated under AS 42.05 as a utility.

If the LNG storage facility for which a credit was claimed and received ceases commercial operation during the nine calendar years immediately following the year that the facility commences commercial operation, the credit is considered to be earned ratably over ten years and the amount not yet earned becomes a liability to the state.

The bill has an immediate effective date.

As this credit is already in place and used by a limited number of entities, its extension will not result in additional costs of administration.