

SB

2001

(FILE 16)

10/26/07

ALASKA STATE LEGISLATURE

Sen. Charlie Huggins, Chair
Sen. Bert Stedman, Vice Chair
Sen. Lyda Green
Sen. Gary Stevens
Sen. Lesil McGuire
Sen. Bill Wielechowski
Sen. Thomas Wagoner



State Capitol, Room 119
Juneau AK 99801-1182
907-465-3878
Fax: 907-465-3265
800-862-3878

Senate Resources Committee

Butrovich Rm 205

Friday, October 26, 2007

~~1:00~~ p.m. - TBD
1:30

AGENDA

SB 2001 - Oil and Gas Production Tax
PPT Amendments

Patrick Galvin, Commissioner, Dept. of Revenue

John Iverson, Director, Tax Division, Dept. of Revenue

Gary Rogers, Revenue Audit Supervisor, Dept. of Revenue

Rich Ruggiero, Gaffney Cline & Associates

1. Gavel In & Call to Order : Note time – members present

**I CALL THE SENATE RESOURCES COMMITTEE TO ORDER ON FRIDAY
OCTOBER 26, 2007. LET THE RECORD REFLECT THAT IT IS _____
A.M..**

PRESENT ARE:

**Vice-Chairman Senator Bert Stedman
Senator Gary Stevens
Senator Lyda Green
Senator Lesil McGuire
Senator Bill Wielechowski
Senator Tom Wagoner
& myself, Senator Charlie Huggins**

2. SB 2001 OIL & GAS TAX AMENDMENTS

Callbacks for Administration

**Pat Galvin – Commissioner, D.O.R.
John Iverson – Dir., Tax Division, D.O.R.
Gary Rogers - Revenue Audit Supervisor, D.O.R.
Rich Ruggiero – Gaffney Cline**

**3. Announce: We'll be back tomorrow @ 10 AM, --THIS IS A TIME CHANGE--
And may be delayed until after our floor session.**

6. Meeting adjourned @ _____.

10/26/07 SPES SB2001 -

Impact of the 10% Legacy Floor - ConocoPhillips

Testimony and a slide presentation from ConocoPhillips on 10/24/07 indicate that higher investment can trigger the floor which would make less investment.

Can the Department please go through this scenario and provide your comments?

ACGA

Ability to use Joint Interest Billings (JIBs) as a starting point for audits:

Why is the specific authority given to the Department to use JIBs being removed in ACES? JIBs appear to be an excellent starting point (given the fact that they've been audited by partners in a project) for audit purposes by DOR. If this authority is removed by ACES, when it is specifically now authorized, on what basis does DOR believe it will be allowed to use them?

Section 1 "confirmation by clarification of the long-standing interpretation of AS 43.05.260 by DOR relating to limitation of assessments for the production tax on oil and gas and conservation surcharges on oil". Why is it necessary to confirm this interpretation? Are there matters currently being adjudicated which would be impacted by this new "confirmation" and if so, what is the nature of those? Why isn't the regulatory language in 15 AAC 55.200 sufficient and what is the practical effect of AS 43.55.075(b) in the ACES legislation?

Extension of the statute of limitations from three to six years. Why does the department feel it's necessary to extend the statute of limitations from three years to six? Three years is used for all of tax structures in the state, so what is it about PPT that requires an additional three years?