

**HB**

**247 -**

**FILE 3**

<TARGET><BILL>HB 247</BILL><SUBJECT>HB 247 - FILE  
3</SUBJECT><COMM>HRLS29</COMM></TARGET>

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**A SAMPLE PAGE  
FOLLOWS.**

## Debra Higgins

---

**From:** Patricia Cue <pcue@acsalaska.net>  
**Sent:** Wednesday, May 11, 2016 4:38 PM  
**To:** Rep. Craig Johnson  
**Subject:** Reform our oil & gas tax credit system!

Dear Legislator,

Please pass reasonable reform to our oil and gas tax credit system this spring. Pass the original version of HB 247.

If the law is not changed, we'll be paying more in credits than we'll receive in unrestricted general fund revenue from the oil industry in FY 17. If the law is not changed, oil tax credits would be the third-largest line item in Alaska's operating budget in FY 17 (unrestricted general fund spending). This puts oil tax credits ahead of the University of Alaska; ahead of the Departments of Corrections & Public Safety combined; and ahead of the Department of Transportation and Public Facilities & the capital budget combined.

We are cutting spending on education, public safety, support for seniors, health care, local government, resource management, and more. We can't afford to continue paying these credits.

Just as oil companies have a duty to protect their shareholders' interests, the governor and lawmakers have a duty to protect the state's financial interests.

Oil and gas companies speak often of the need for a stable fiscal climate. The current system of tax credits at current low oil prices is far from stable. The state treasury cannot withstand the impact of tax credit payments, and the imposition of other taxes on Alaskans cannot pass the red face test if the money is going to go directly to oil and gas companies to compensate them for their business losses.

A stable fiscal regime is a reasonable one. Pass the original version of HB 247 and we will have a path to a durable fiscal plan for Alaska. Pass a weak version of HB 247 and it will be overturned by voters or by a subsequent legislature, continuing this cycle of instability.

We have major needs in this state, as you are aware. Please fix the oil and gas credit system, so we can move on toward actual fiscal solutions.

Sincerely,

Patricia Cue  
35360 Robinwood Dr.  
Soldotna, AK 99669

AMENDMENT

①

OFFERED IN THE HOUSE

TO: 2d CSHB 247( ), Draft Version "D"

Rep. Johnson

- 1 Page 5, lines 1 - 2:  
2 Delete "[USE AVAILABLE MONEY IN THE OIL AND GAS TAX CREDIT FUND  
3 ESTABLISHED IN AS 43.55.028 TO]"  
4 Insert "use available money in the oil and gas tax credit fund established in  
5 AS 43.55.028 to"  
6  
7 Page 5, lines 13 - 14:  
8 Delete "[USE AVAILABLE MONEY IN THE OIL AND GAS TAX CREDIT FUND  
9 ESTABLISHED IN AS 43.55.028 TO]"  
10 Insert "use available money in the oil and gas tax credit fund established in  
11 AS 43.55.028 to"  
12  
13 Page 5, lines 25 - 26:  
14 Delete "[USE AVAILABLE MONEY IN THE OIL AND GAS TAX CREDIT FUND  
15 ESTABLISHED IN AS 43.55.028 TO]"  
16 Insert "use available money in the oil and gas tax credit fund established in  
17 AS 43.55.028 to"  
18  
19 Page 15, lines 9 - 14:  
20 Delete all material.  
21  
22 Renumber the following bill sections accordingly.  
23

1 Page 15, line 15:

2 Delete ", as amended by sec. 25 of this Act,"

3

4 Page 15, line 19, following "AS 43.55.025":

5 Insert "and to pay refunds and payments claimed under AS 43.20.046, 43.20.047, or  
6 43.20.053"

7

8 Page 16, line 14:

9 Delete "sec. 27"

10 Insert "sec. 26"

11

12 Page 17, lines 6 - 20:

13 Delete all material and insert:

14 **\*\* Sec. 28.** AS 43.55.028(g) is amended to read:

15 (g) The department **shall** [MAY] adopt regulations to carry out the purposes  
16 of this section, including standards and procedures to allocate available money among  
17 applications for purchases under this chapter and claims for refunds and payments  
18 under AS 43.20.046, 43.20.047, or 43.20.053 when the total amount of the  
19 applications for purchase and claims for refund exceed the amount of available money  
20 in the fund. The regulations adopted by the department, **when allocating available**  
21 **money in the fund under this section,**

22 (1) may not [, WHEN ALLOCATING AVAILABLE MONEY IN  
23 THE FUND UNDER THIS SECTION,] distinguish an application for the purchase of  
24 a credit certificate issued under former AS 43.55.023(m) or a claim for a refund or  
25 payment under AS 43.20.046, 43.20.047, or 43.20.053;

26 (2) **must grant a preference to an applicant if at least 80 percent of**  
27 **the applicant's workforce in the state in the previous calendar year was**  
28 **composed of resident workers; in this paragraph, "resident worker" has the**  
29 **meaning given in AS 43.40.092(b).**

30

31 Page 18, line 17:

- 1 Delete "sec. 31"
- 2 Insert "sec. 30"
- 3
- 4 Page 18, line 30:
- 5 Delete "secs. 31 and 32"
- 6 Insert "secs. 30 and 31"
- 7
- 8 Page 22, line 19:
- 9 Delete "sec. 38"
- 10 Insert "sec. 37"
- 11
- 12 Page 29, line 23:
- 13 Delete "sec. 27"
- 14 Insert "sec. 26"
- 15
- 16 Page 29, line 24:
- 17 Delete "sec. 30"
- 18 Insert "sec. 29"
- 19
- 20 Page 29, line 26:
- 21 Delete "sec. 29"
- 22 Insert "sec. 28"
- 23
- 24 Page 29, line 27:
- 25 Delete "secs. 27, 29, and 30"
- 26 Insert "secs. 26, 28, and 29"
- 27
- 28 Page 29, line 28:
- 29 Delete "sec. 42"
- 30 Insert "sec. 41"
- 31

- 1 Page 30, line 2:
  - 2 Delete "sec. 50"
  - 3 Insert "sec. 49"
  - 4
- 5 Page 30, line 4:
  - 6 Delete "sec. 31"
  - 7 Insert "sec. 30"
  - 8 Delete "secs. 34 and 35"
  - 9 Insert "secs. 33 and 34"
  - 10
- 11 Page 30, line 5:
  - 12 Delete "sec. 36"
  - 13 Insert "sec. 35"
  - 14 Delete "sec. 43"
  - 15 Insert "sec. 42"
  - 16
- 17 Page 30, line 6:
  - 18 Delete "sec. 44"
  - 19 Insert "sec. 43"
  - 20
- 21 Page 30, line 7:
  - 22 Delete "sec. 50"
  - 23 Insert "sec. 49"
  - 24
- 25 Page 30, lines 10 - 11:
  - 26 Delete "sec. 50"
  - 27 Insert "sec. 49"
  - 28
- 29 Page 30, line 14:
  - 30 Delete "sec. 50"
  - 31 Insert "sec. 49"

- 1
- 2 Page 30, line 15:
  - 3 Delete "sec. 50"
  - 4 Insert "sec. 49"
  - 5
- 6 Page 30, line 19:
  - 7 Delete "sec. 51"
  - 8 Insert "sec. 50"
  - 9
- 10 Page 30, lines 19 - 20:
  - 11 Delete "sec. 32"
  - 12 Insert "sec. 31"
  - 13
- 14 Page 30, line 21:
  - 15 Delete "sec. 51"
  - 16 Insert "sec. 50"
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- 18 Page 30, line 24:
  - 19 Delete "sec. 51"
  - 20 Insert "sec. 50"
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- 22 Page 30, line 26:
  - 23 Delete "sec. 51"
  - 24 Insert "sec. 50"
  - 25
- 26 Page 30, line 27:
  - 27 Delete "sec. 51"
  - 28 Insert "sec. 50"
  - 29
- 30 Page 31, line 1:
  - 31 Delete "sec. 52"

- 1           Insert "sec. 51"
- 2
- 3   Page 31, line 2:
- 4           Delete "sec. 33"
- 5           Insert "sec. 32"
- 6           Delete "sec. 37"
- 7           Insert "sec. 36"
- 8
- 9   Page 31, line 3:
- 10          Delete "sec. 39"
- 11          Insert "sec. 38"
- 12
- 13   Page 31, line 4:
- 14          Delete "sec. 52"
- 15          Insert "sec. 51"
- 16
- 17   Page 31, line 8:
- 18          Delete "sec. 52"
- 19          Insert "sec. 51"
- 20
- 21   Page 31, line 10:
- 22          Delete "sec. 52"
- 23          Insert "sec. 51"
- 24
- 25   Page 31, line 11:
- 26          Delete "sec. 52"
- 27          Insert "sec. 51"
- 28
- 29   Page 31, line 16:
- 30          Delete "sec. 52"
- 31          Insert "sec. 51"

- 1
- 2 Page 31, line 17:
  - 3 Delete "secs. 26 and 28"
  - 4 Insert "secs. 25 and 27"
  - 5
- 6 Page 31, line 18:
  - 7 Delete "sec. 33"
  - 8 Insert "sec. 32"
  - 9 Delete "sec. 37"
  - 10 Insert "sec. 36"
  - 11
- 12 Page 31, line 19:
  - 13 Delete "sec. 45"
  - 14 Insert "sec. 44"
  - 15
- 16 Page 31, line 21:
  - 17 Delete "sec. 52" in both places
  - 18 Insert "sec. 51" in both places
  - 19
- 20 Page 31, line 26:
  - 21 Delete "sec. 42"
  - 22 Insert "sec. 41"
  - 23
- 24 Page 31, line 27:
  - 25 Delete "sec. 50"
  - 26 Insert "sec. 49"
  - 27
- 28 Page 31, line 30:
  - 29 Delete "sec. 50"
  - 30 Insert "sec. 49"
  - 31

- 1 Page 32, line 4:
- 2 Delete "sec. 50"
- 3 Insert "sec. 49"
- 4
- 5 Page 32, line 6:
- 6 Delete "sec. 50"
- 7 Insert "sec. 49"
- 8
- 9 Page 32, line 9:
- 10 Delete "sec. 50"
- 11 Insert "sec. 49"
- 12
- 13 Page 32, line 12:
- 14 Delete "sec. 50"
- 15 Insert "sec. 49"
- 16
- 17 Page 32, line 14:
- 18 Delete "sec. 50"
- 19 Insert "sec. 49"
- 20
- 21 Page 33, line 9:
- 22 Delete "53, 61, and 62"
- 23 Insert "52, 60, and 61"
- 24
- 25 Page 33, line 11:
- 26 Delete "Sections 32, 51, and 56"
- 27 Insert "Sections 31, 50, and 55"
- 28
- 29 Page 33, line 12:
- 30 Delete "26, 28, 33, 37, 39, 45, 52, 57, and 58"
- 31 Insert "25, 27, 32, 36, 38, 44, 51, 56, and 57"

1

2 Page 33, line 14:

3 Delete "secs. 63 - 65"

4 Insert "secs. 62 - 64"

AMENDMENT

2

Rep. Johnson

OFFERED IN THE HOUSE

TO: 2d CSHB 247( ), Draft Version "D"

- 1 Page 8, line 4:  
2 Delete "or"  
3 Insert "and"  
4  
5 Page 8, line 6, following "approved":  
6 Insert "before January 1, 2017,"  
7  
8 Page 10, lines 5 - 18:  
9 Delete all material.  
10  
11 Renumber the following bill sections accordingly.  
12  
13 Page 12, line 10:  
14 Delete "Exploration"  
15 Insert "Notwithstanding (b) of this section, exploration"  
16  
17 Page 13, line 12:  
18 Delete "sec. 22"  
19 Insert "sec. 21"  
20  
21 Page 13, line 21:  
22 Delete "Exploration"  
23 Insert "Notwithstanding (b) of this section, exploration"

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Page 15, line 15:

Delete "sec. 25"

Insert "sec. 24"

Page 16, line 14:

Delete "sec. 27"

Insert "sec. 26"

Page 18, line 17:

Delete "sec. 31"

Insert "sec. 30"

Page 18, line 30:

Delete "secs. 31 and 32"

Insert "secs. 30 and 31"

Page 20, lines 3 - 5:

Delete all material and insert:

"(6) the 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;"

Page 20, lines 18 - 21:

Delete all material and insert:

"(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"

Page 20, line 25, through page 21, line 11:

Delete all material.

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Renumber the following bill sections accordingly.

Page 22, line 19:

- Delete "sec. 38"
- Insert "sec. 36"

Page 25, following line 29:

Insert a new bill section to read:

**\*\* Sec. 41.** AS 43.55.165(e) is amended to read:

- (e) For purposes of this section, lease expenditures do not include
  - (1) depreciation, depletion, or amortization;
  - (2) oil or gas royalty payments, production payments, lease profit shares, or other payments or distributions of a share of oil or gas production, profit, or revenue, except that a producer's lease expenditures applicable to oil and gas produced from a lease issued under AS 38.05.180(f)(3)(B), (D), or (E) include the share of net profit paid to the state under that lease;
  - (3) taxes based on or measured by net income;
  - (4) interest or other financing charges or costs of raising equity or debt capital;
  - (5) acquisition costs for a lease or property or exploration license;
  - (6) costs arising from fraud, wilful misconduct, gross negligence, violation of law, or failure to comply with an obligation under a lease, permit, or license issued by the state or federal government;
  - (7) fines or penalties imposed by law;
  - (8) costs of arbitration, litigation, or other dispute resolution activities that involve the state or concern the rights or obligations among owners of interests in, or rights to production from, one or more leases or properties or a unit;
  - (9) costs incurred in organizing a partnership, joint venture, or other business entity or arrangement;
  - (10) amounts paid to indemnify the state; the exclusion provided by

1 this paragraph does not apply to the costs of obtaining insurance or a surety bond from  
2 a third-party insurer or surety;

3 (11) surcharges levied under AS 43.55.201 or 43.55.300;

4 (12) an expenditure otherwise deductible under (b) of this section that  
5 is a result of an internal transfer, a transaction with an affiliate, or a transaction  
6 between related parties, or is otherwise not an arm's length transaction, unless the  
7 producer establishes to the satisfaction of the department that the amount of the  
8 expenditure does not exceed the fair market value of the expenditure;

9 (13) an expenditure incurred to purchase an interest in any corporation,  
10 partnership, limited liability company, business trust, or any other business entity,  
11 whether or not the transaction is treated as an asset sale for federal income tax  
12 purposes;

13 (14) a tax levied under AS 43.55.011 or 43.55.014;

14 (15) costs incurred for dismantlement, removal, surrender, or  
15 abandonment of a facility, pipeline, well pad, platform, or other structure, or for the  
16 restoration of a lease, field, unit, area, tract of land, body of water, or right-of-way in  
17 conjunction with dismantlement, removal, surrender, or abandonment; a cost is not  
18 excluded under this paragraph if the dismantlement, removal, surrender, or  
19 abandonment for which the cost is incurred is undertaken for the purpose of replacing,  
20 renovating, or improving the facility, pipeline, well pad, platform, or other structure;

21 (16) costs incurred for containment, control, cleanup, or removal in  
22 connection with any unpermitted release of oil or a hazardous substance and any  
23 liability for damages imposed on the producer or explorer for that unpermitted release;  
24 this paragraph does not apply to the cost of developing and maintaining an oil  
25 discharge prevention and contingency plan under AS 46.04.030;

26 (17) costs incurred to satisfy a work commitment under an exploration  
27 license under AS 38.05.132;

28 (18) that portion of expenditures, that would otherwise be qualified  
29 capital expenditures [, AS DEFINED IN AS 43.55.023,] incurred during a calendar  
30 year that are less than the product of \$0.30 multiplied by the total taxable production  
31 from each lease or property, in BTU equivalent barrels, during that calendar year,

1           except that, when a portion of a calendar year is subject to this provision, the  
2           expenditures and volumes shall be prorated within that calendar year;

3                       (19) costs incurred for repair, replacement, or deferred maintenance of  
4           a facility, a pipeline, a structure, or equipment, other than a well, that results in or is  
5           undertaken in response to a failure, problem, or event that results in an unscheduled  
6           interruption of, or reduction in the rate of, oil or gas production; or costs incurred for  
7           repair, replacement, or deferred maintenance of a facility, a pipeline, a structure, or  
8           equipment, other than a well, that is undertaken in response to, or is otherwise  
9           associated with, an unpermitted release of a hazardous substance or of gas; however,  
10          costs under this paragraph that would otherwise constitute lease expenditures under (a)  
11          and (b) of this section may be treated as lease expenditures if the department  
12          determines that the repair or replacement is solely necessitated by an act of war, by an  
13          unanticipated grave natural disaster or other natural phenomenon of an exceptional,  
14          inevitable, and irresistible character, the effects of which could not have been  
15          prevented or avoided by the exercise of due care or foresight, or by an intentional or  
16          negligent act or omission of a third party, other than a party or its agents in privity of  
17          contract with, or employed by, the producer or an operator acting for the producer, but  
18          only if the producer or operator, as applicable, exercised due care in operating and  
19          maintaining the facility, pipeline, structure, or equipment, and took reasonable  
20          precautions against the act or omission of the third party and against the consequences  
21          of the act or omission; in this paragraph,

22                       (A) "costs incurred for repair, replacement, or deferred  
23          maintenance of a facility, a pipeline, a structure, or equipment" includes costs  
24          to dismantle and remove the facility, pipeline, structure, or equipment that is  
25          being replaced;

26                       (B) "hazardous substance" has the meaning given in  
27          AS 46.03.826;

28                       (C) "replacement" includes renovation or improvement;

29                       (20) costs incurred to construct, acquire, or operate a refinery or crude  
30          oil topping plant, regardless of whether the products of the refinery or topping plant  
31          are used in oil or gas exploration, development, or production operations; however, if

1 a producer owns a refinery or crude oil topping plant that is located on or near the  
 2 premises of the producer's lease or property in the state and that processes the  
 3 producer's oil produced from that lease or property into a product that the producer  
 4 uses in the operation of the lease or property in drilling for or producing oil or gas, the  
 5 producer's lease expenditures include the amount calculated by subtracting from the  
 6 fair market value of the product used the prevailing value, as determined under  
 7 AS 43.55.020(f), of the oil that is processed;

8 (21) costs of lobbying, public relations, public relations advertising, or  
 9 policy advocacy."

10  
 11 Renumber the following bill sections accordingly.

12  
 13 Page 26, following line 21:

14 Insert a new bill section to read:

15 **\*\* Sec. 45.** AS 43.55.890 is amended to read:

16 **Sec. 43.55.890. Disclosure of tax information.** Notwithstanding any contrary  
 17 provision of AS 40.25.100, and regardless of whether the information is considered  
 18 under AS 43.05.230(e) to constitute statistics classified to prevent the identification of  
 19 particular returns or reports, the department may publish the following information  
 20 under this chapter, if aggregated among three or more producers or explorers, showing  
 21 by month or calendar year and by lease or property, unit, or area of the state:

22 (1) the amount of oil or gas production;

23 (2) the amount of taxes levied under this chapter or paid under this  
 24 chapter;

25 (3) the effective tax rates under this chapter;

26 (4) the gross value of oil or gas at the point of production;

27 (5) the transportation costs for oil or gas;

28 (6) qualified capital expenditures [, AS DEFINED IN AS 43.55.023];

29 (7) exploration expenditures under AS 43.55.025;

30 (8) production tax values of oil or gas under AS 43.55.160;

31 (9) lease expenditures under AS 43.55.165;

- 1 (10) adjustments to lease expenditures under AS 43.55.170;
- 2 (11) tax credits applicable or potentially applicable against taxes levied
- 3 by this chapter."

4

5 Renumber the following bill sections accordingly.

6

7 Page 26, line 29:

8 Delete "a new paragraph"

9 Insert "new paragraphs"

10

11 Page 26, following line 29:

12 Insert a new paragraph to read:

13 "(26) "qualified capital expenditure"

14 (A) means, except as otherwise provided in (B) of this  
15 paragraph, an expenditure that is a lease expenditure under AS 43.55.165 and  
16 is

17 (i) incurred for geological or geophysical exploration;

18 (ii) treated as a capitalized expenditure under 26 U.S.C.  
19 (Internal Revenue Code), as amended, regardless of elections made  
20 under 26 U.S.C. 263(c) (Internal Revenue Code), as amended, and is  
21 treated as a capitalized expenditure for federal income tax reporting  
22 purposes by the person incurring the expenditure; or

23 (iii) treated as a capitalized expenditure under 26 U.S.C.  
24 (Internal Revenue Code), as amended, regardless of elections made  
25 under 26 U.S.C. 263(c) (Internal Revenue Code), as amended, and is  
26 eligible to be deducted as an expense under 26 U.S.C. 263(c) (Internal  
27 Revenue Code), as amended;

28 (B) does not include an expenditure incurred to acquire an asset  
29 the cost of previously acquiring which was a lease expenditure under  
30 AS 43.55.165 or would have been a lease expenditure under AS 43.55.165 if it  
31 had been incurred after March 31, 2006, or that has previously been placed in

1 service in the state; an expenditure to acquire an asset is not excluded under  
2 this subparagraph if not more than an immaterial portion of the asset meets a  
3 description under this subparagraph; for purposes of this subparagraph, "asset"  
4 includes geological, geophysical, and well data and interpretations;"  
5

6 Renumber the following paragraph accordingly.  
7

8 Page 29, line 23:

9 Delete "sec. 27"

10 Insert "sec. 26"

11

12 Page 29, line 24:

13 Delete "sec. 30"

14 Insert "sec. 29"

15

16 Page 29, line 26:

17 Delete "sec. 29"

18 Insert "sec. 28"

19

20 Page 29, line 27:

21 Delete "secs. 27, 29, and 30"

22 Insert "secs. 26, 28, and 29"

23

24 Page 29, line 28:

25 Delete "sec. 42"

26 Insert "sec. 40"

27

28 Page 30, line 3:

29 Delete "AS 43.55.023(n) by sec. 19 of this Act,"  
30

31 Page 30, line 4:

- 1 Delete "sec. 31"
- 2 Insert "sec. 30"
- 3 Delete "secs. 34 and 35"
- 4 Insert "secs. 33 and 34"
- 5
- 6 Page 30, line 5:
  - 7 Delete "AS 43.55.075(b) by sec. 36 of this Act,"
  - 8 Delete "sec. 43"
  - 9 Insert "sec. 42"
- 10
- 11 Page 30, line 6:
  - 12 Delete "sec. 44"
  - 13 Insert "sec. 43"
- 14
- 15 Page 30, lines 19 - 20:
  - 16 Delete "sec. 32"
  - 17 Insert "sec. 31"
- 18
- 19 Page 31, line 2:
  - 20 Delete "sec. 33"
  - 21 Insert "sec. 32"
  - 22 Delete "sec. 37"
  - 23 Insert "sec. 35"
- 24
- 25 Page 31, line 3:
  - 26 Delete "sec. 39"
  - 27 Insert "sec. 37"
- 28
- 29 Page 31, line 17:
  - 30 Delete "sec. 23"
  - 31 Insert "sec. 22"

- 1 Delete "secs. 26 and 28"
- 2 Insert "secs. 25 and 27"
- 3
- 4 Page 31, line 18:
  - 5 Delete "sec. 33"
  - 6 Insert "sec. 32"
  - 7 Delete "sec. 37"
  - 8 Insert "sec. 35"
  - 9
- 10 Page 31, line 19:
  - 11 Delete "sec. 45"
  - 12 Insert "sec. 44"
  - 13
- 14 Page 31, line 26:
  - 15 Delete "sec. 42"
  - 16 Insert "sec. 40"
  - 17
- 18 Page 33, line 9:
  - 19 Delete "Sections 22"
  - 20 Insert "Sections 21"
  - 21
- 22 Page 33, line 11:
  - 23 Delete "Sections 32"
  - 24 Insert "Sections 31"
  - 25
- 26 Page 33, line 12:
  - 27 Delete "Sections 23, 26, 28, 33, 37, 39, 45"
  - 28 Insert "Sections 22, 25, 27, 32, 35, 37, 44"

Amendment 1 to Amendment 2  
passed

Add to D.19 (Amendment 2)

page 28 line 13-14

delete repeal 43. SS. 165 (e) (18)

delete repeal 43. SS. 890 (6)

AMENDMENT

3

Rep. Tuck

OFFERED IN THE HOUSE

TO: 2d CSHB 247( ), Draft Version "D"

1 Page 1, line 6, following "interest;":

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

3

4 Page 1, line 11, following "fund;":

5 Insert "relating to certain reductions in the gross value at the point of production  
6 of oil and gas;"

7

8 Page 7, following line 4:

9 Insert a new bill section to read:

10 "\* Sec. 15. AS 43.55.020(a) is amended to read:

11 (a) For a calendar year, a producer subject to tax under AS 43.55.011 shall pay  
12 the tax as follows:

13 (1) for oil and gas produced before January 1, 2014, an installment  
14 payment of the estimated tax levied by AS 43.55.011(e), net of any tax credits applied  
15 as allowed by law, is due for each month of the calendar year on the last day of the  
16 following month; except as otherwise provided under (2) of this subsection, the  
17 amount of the installment payment is the sum of the following amounts, less 1/12 of  
18 the tax credits that are allowed by law to be applied against the tax levied by  
19 AS 43.55.011(e) for the calendar year, but the amount of the installment payment may  
20 not be less than zero:

21 (A) for oil and gas not subject to AS 43.55.011(o) or (p)  
22 produced from leases or properties in the state outside the Cook Inlet  
23 sedimentary basin, other than leases or properties subject to AS 43.55.011(f),

1 the greater of

2 (i) zero; or

3 (ii) the sum of 25 percent and the tax rate calculated for  
4 the month under AS 43.55.011(g) multiplied by the remainder obtained  
5 by subtracting 1/12 of the producer's adjusted lease expenditures for the  
6 calendar year of production under AS 43.55.165 and 43.55.170 that are  
7 deductible for the oil and gas under AS 43.55.160 from the gross value  
8 at the point of production of the oil and gas produced from the leases or  
9 properties during the month for which the installment payment is  
10 calculated;

11 (B) for oil and gas produced from leases or properties subject  
12 to AS 43.55.011(f), the greatest of

13 (i) zero;

14 (ii) zero percent, one percent, two percent, three  
15 percent, or four percent, as applicable, of the gross value at the point of  
16 production of the oil and gas produced from the leases or properties  
17 during the month for which the installment payment is calculated; or

18 (iii) the sum of 25 percent and the tax rate calculated for  
19 the month under AS 43.55.011(g) multiplied by the remainder obtained  
20 by subtracting 1/12 of the producer's adjusted lease expenditures for the  
21 calendar year of production under AS 43.55.165 and 43.55.170 that are  
22 deductible for the oil and gas under AS 43.55.160 from the gross value  
23 at the point of production of the oil and gas produced from those leases  
24 or properties during the month for which the installment payment is  
25 calculated;

26 (C) for oil or gas subject to AS 43.55.011(j), (k), or (o), for  
27 each lease or property, the greater of

28 (i) zero; or

29 (ii) the sum of 25 percent and the tax rate calculated for  
30 the month under AS 43.55.011(g) multiplied by the remainder obtained  
31 by subtracting 1/12 of the producer's adjusted lease expenditures for the

1                   calendar year of production under AS 43.55.165 and 43.55.170 that are  
2                   deductible under AS 43.55.160 for the oil or gas, respectively,  
3                   produced from the lease or property from the gross value at the point of  
4                   production of the oil or gas, respectively, produced from the lease or  
5                   property during the month for which the installment payment is  
6                   calculated;

7                   (D) for oil and gas subject to AS 43.55.011(p), the lesser of

8                   (i) the sum of 25 percent and the tax rate calculated for  
9                   the month under AS 43.55.011(g) multiplied by the remainder obtained  
10                  by subtracting 1/12 of the producer's adjusted lease expenditures for the  
11                  calendar year of production under AS 43.55.165 and 43.55.170 that are  
12                  deductible for the oil and gas under AS 43.55.160 from the gross value  
13                  at the point of production of the oil and gas produced from the leases or  
14                  properties during the month for which the installment payment is  
15                  calculated, but not less than zero; or

16                  (ii) four percent of the gross value at the point of  
17                  production of the oil and gas produced from the leases or properties  
18                  during the month, but not less than zero;

19                  (2) an amount calculated under (1)(C) of this subsection for oil or gas  
20                  subject to AS 43.55.011(j), (k), or (o) may not exceed the product obtained by  
21                  carrying out the calculation set out in AS 43.55.011(j)(1) or (2) or 43.55.011(o), as  
22                  applicable, for gas or set out in AS 43.55.011(k)(1) or (2), as applicable, for oil, but  
23                  substituting in AS 43.55.011(j)(1)(A) or (2)(A) or 43.55.011(o), as applicable, the  
24                  amount of taxable gas produced during the month for the amount of taxable gas  
25                  produced during the calendar year and substituting in AS 43.55.011(k)(1)(A) or  
26                  (2)(A), as applicable, the amount of taxable oil produced during the month for the  
27                  amount of taxable oil produced during the calendar year;

28                  (3) an installment payment of the estimated tax levied by  
29                  AS 43.55.011(i) for each lease or property is due for each month of the calendar year  
30                  on the last day of the following month; the amount of the installment payment is the  
31                  sum of

1 (A) the applicable tax rate for oil provided under  
2 AS 43.55.011(i), multiplied by the gross value at the point of production of the  
3 oil taxable under AS 43.55.011(i) and produced from the lease or property  
4 during the month; and

5 (B) the applicable tax rate for gas provided under  
6 AS 43.55.011(i), multiplied by the gross value at the point of production of the  
7 gas taxable under AS 43.55.011(i) and produced from the lease or property  
8 during the month;

9 (4) any amount of tax levied by AS 43.55.011, net of any credits  
10 applied as allowed by law, that exceeds the total of the amounts due as installment  
11 payments of estimated tax is due on March 31 of the year following the calendar year  
12 of production;

13 (5) for oil and gas produced on and after January 1, 2014, and before  
14 January 1, 2022, an installment payment of the estimated tax levied by  
15 AS 43.55.011(e), net of any tax credits applied as allowed by law, is due for each  
16 month of the calendar year on the last day of the following month; except as otherwise  
17 provided under (6) of this subsection, the amount of the installment payment is the  
18 sum of the following amounts, less 1/12 of the tax credits that are allowed by law to be  
19 applied against the tax levied by AS 43.55.011(e) for the calendar year, but the amount  
20 of the installment payment may not be less than zero:

21 (A) for oil and gas not subject to AS 43.55.011(o) or (p)  
22 produced from leases or properties in the state outside the Cook Inlet  
23 sedimentary basin, other than leases or properties subject to AS 43.55.011(f),  
24 the greater of

25 (i) zero; or

26 (ii) 35 percent multiplied by the remainder obtained by  
27 subtracting 1/12 of the producer's adjusted lease expenditures for the  
28 calendar year of production under AS 43.55.165 and 43.55.170 that are  
29 deductible for the oil and gas under AS 43.55.160 from the gross value  
30 at the point of production of the oil and gas produced from the leases or  
31 properties during the month for which the installment payment is

1                   calculated;

2                   (B) for oil and gas produced from leases or properties subject  
3 to AS 43.55.011(f), the greatest of

4                   (i) zero;

5                   (ii) zero percent, one percent, two percent, three  
6 percent, or four percent, as applicable, of the gross value at the point of  
7 production of the oil and gas produced from the leases or properties  
8 during the month for which the installment payment is calculated; or

9                   (iii) 35 percent multiplied by the remainder obtained by  
10 subtracting 1/12 of the producer's adjusted lease expenditures for the  
11 calendar year of production under AS 43.55.165 and 43.55.170 that are  
12 deductible for the oil and gas under AS 43.55.160 from the gross value  
13 at the point of production of the oil and gas produced from those leases  
14 or properties during the month for which the installment payment is  
15 calculated, except that, for the purposes of this calculation, a reduction  
16 from the gross value at the point of production may apply for oil and  
17 gas subject to **AS 43.55.160(g)** [AS 43.55.160(f) OR (g)];

18                   (C) for oil or gas subject to AS 43.55.011(j), (k), or (o), for  
19 each lease or property, the greater of

20                   (i) zero; or

21                   (ii) 35 percent multiplied by the remainder obtained by  
22 subtracting 1/12 of the producer's adjusted lease expenditures for the  
23 calendar year of production under AS 43.55.165 and 43.55.170 that are  
24 deductible under AS 43.55.160 for the oil or gas, respectively,  
25 produced from the lease or property from the gross value at the point of  
26 production of the oil or gas, respectively, produced from the lease or  
27 property during the month for which the installment payment is  
28 calculated;

29                   (D) for oil and gas subject to AS 43.55.011(p), the lesser of

30                   (i) 35 percent multiplied by the remainder obtained by  
31 subtracting 1/12 of the producer's adjusted lease expenditures for the

1                   calendar year of production under AS 43.55.165 and 43.55.170 that are  
2                   deductible for the oil and gas under AS 43.55.160 from the gross value  
3                   at the point of production of the oil and gas produced from the leases or  
4                   properties during the month for which the installment payment is  
5                   calculated, but not less than zero; or

6                                 (ii) four percent of the gross value at the point of  
7                   production of the oil and gas produced from the leases or properties  
8                   during the month, but not less than zero;

9                   (6) an amount calculated under (5)(C) of this subsection for oil or gas  
10                  subject to AS 43.55.011(j), (k), or (o) may not exceed the product obtained by  
11                  carrying out the calculation set out in AS 43.55.011(j)(1) or (2) or 43.55.011(o), as  
12                  applicable, for gas or set out in AS 43.55.011(k)(1) or (2), as applicable, for oil, but  
13                  substituting in AS 43.55.011(j)(1)(A) or (2)(A) or 43.55.011(o), as applicable, the  
14                  amount of taxable gas produced during the month for the amount of taxable gas  
15                  produced during the calendar year and substituting in AS 43.55.011(k)(1)(A) or  
16                  (2)(A), as applicable, the amount of taxable oil produced during the month for the  
17                  amount of taxable oil produced during the calendar year;

18                  (7) for oil and gas produced on or after January 1, 2022, an installment  
19                  payment of the estimated tax levied by AS 43.55.011(e), net of any tax credits applied  
20                  as allowed by law, is due for each month of the calendar year on the last day of the  
21                  following month; the amount of the installment payment is the sum of the following  
22                  amounts, less 1/12 of the tax credits that are allowed by law to be applied against the  
23                  tax levied by AS 43.55.011(e) for the calendar year, but the amount of the installment  
24                  payment may not be less than zero:

25                                 (A) for oil produced from leases or properties that include land  
26                  north of 68 degrees North latitude, the greatest of

27   (i) zero;

28   (ii) zero percent, one percent, two percent, three  
29                  percent, or four percent, as applicable, of the gross value at the point of  
30                  production of the oil produced from the leases or properties during the  
31                  month for which the installment payment is calculated; or

1 (iii) 35 percent multiplied by the remainder obtained by  
2 subtracting 1/12 of the producer's adjusted lease expenditures for the  
3 calendar year of production under AS 43.55.165 and 43.55.170 that are  
4 deductible for the oil under AS 43.55.160(h)(1) from the gross value at  
5 the point of production of the oil produced from those leases or  
6 properties during the month for which the installment payment is  
7 calculated, except that, for the purposes of this calculation, a reduction  
8 from the gross value at the point of production may apply for oil  
9 subject to AS 43.55.160(g) [AS 43.55.160(f) OR 43.55.160(f) AND  
10 (g)];

11 (B) for oil produced before or during the last calendar year  
12 under AS 43.55.024(b) for which the producer could take a tax credit under  
13 AS 43.55.024(a), from leases or properties in the state outside the Cook Inlet  
14 sedimentary basin, no part of which is north of 68 degrees North latitude, other  
15 than leases or properties subject to AS 43.55.011(p), the greater of

16 (i) zero; or

17 (ii) 35 percent multiplied by the remainder obtained by  
18 subtracting 1/12 of the producer's adjusted lease expenditures for the  
19 calendar year of production under AS 43.55.165 and 43.55.170 that are  
20 deductible for the oil under AS 43.55.160(h)(2) from the gross value at  
21 the point of production of the oil produced from the leases or properties  
22 during the month for which the installment payment is calculated;

23 (C) for oil and gas produced from leases or properties subject  
24 to AS 43.55.011(p), except as otherwise provided under (8) of this subsection,  
25 the sum of

26 (i) 35 percent multiplied by the remainder obtained by  
27 subtracting 1/12 of the producer's adjusted lease expenditures for the  
28 calendar year of production under AS 43.55.165 and 43.55.170 that are  
29 deductible for the oil under AS 43.55.160(h)(3) from the gross value at  
30 the point of production of the oil produced from the leases or properties  
31 during the month for which the installment payment is calculated, but

1 not less than zero; and

2 (ii) 13 percent of the gross value at the point of  
3 production of the gas produced from the leases or properties during the  
4 month, but not less than zero;

5 (D) for oil produced from leases or properties in the state, no  
6 part of which is north of 68 degrees North latitude, other than leases or  
7 properties subject to (B) or (C) of this paragraph, the greater of

8 (i) zero; or

9 (ii) 35 percent multiplied by the remainder obtained by  
10 subtracting 1/12 of the producer's adjusted lease expenditures for the  
11 calendar year of production under AS 43.55.165 and 43.55.170 that are  
12 deductible for the oil under AS 43.55.160(h)(4) from the gross value at  
13 the point of production of the oil produced from the leases or properties  
14 during the month for which the installment payment is calculated;

15 (E) for gas produced from each lease or property in the state,  
16 other than a lease or property subject to AS 43.55.011(p), 13 percent of the  
17 gross value at the point of production of the gas produced from the lease or  
18 property during the month for which the installment payment is calculated, but  
19 not less than zero;

20 (8) an amount calculated under (7)(C) of this subsection may not  
21 exceed four percent of the gross value at the point of production of the oil and gas  
22 produced from leases or properties subject to AS 43.55.011(p) during the month for  
23 which the installment payment is calculated;

24 (9) for purposes of the calculation under (1)(B)(ii), (5)(B)(ii), and  
25 (7)(A)(ii) of this subsection, the applicable percentage of the gross value at the point  
26 of production is determined under AS 43.55.011(f)(1) or (2) but substituting the  
27 phrase "month for which the installment payment is calculated" in AS 43.55.011(f)(1)  
28 and (2) for the phrase "calendar year for which the tax is due.""

29  
30 Renumber the following bill sections accordingly.

31

1 Page 10, line 24:

2 Delete "AS 43.55.160(f) or (g)"

3 Insert "AS 43.55.160(g) [AS 43.55.160(f) OR (g)]"

4

5 Page 11, line 1:

6 Delete "AS 43.55.160(f) or (g)"

7 Insert "AS 43.55.160(g) [AS 43.55.160(f) OR (g)]"

8

9 Page 13, line 12:

10 Delete "sec. 22"

11 Insert "sec. 23"

12

13 Page 15, line 15:

14 Delete "sec. 25"

15 Insert "sec. 26"

16

17 Page 16, line 14:

18 Delete "sec. 27"

19 Insert "sec. 28"

20

21 Page 18, line 17:

22 Delete "sec. 31"

23 Insert "sec. 32"

24

25 Page 18, line 30:

26 Delete "secs. 31 and 32"

27 Insert "secs. 32 and 33"

28

29 Page 21, following line 11:

30 Insert a new bill section to read:

31 **\*\* Sec. 38.** AS 43.55.160(a) is amended to read:

1 (a) For oil and gas produced before January 1, 2022, except as provided in (b)  
2 [, (f),] and (g) of this section, for the purposes of

3 (1) AS 43.55.011(e)(1) and (2), the annual production tax value of  
4 taxable oil, gas, or oil and gas produced during a calendar year in a category for which  
5 a separate annual production tax value is required to be calculated under this  
6 paragraph is the gross value at the point of production of that oil, gas, or oil and gas  
7 taxable under AS 43.55.011(e), less the producer's lease expenditures under  
8 AS 43.55.165 for the calendar year applicable to the oil, gas, or oil and gas in that  
9 category produced by the producer during the calendar year, as adjusted under  
10 AS 43.55.170; a separate annual production tax value shall be calculated for

11 (A) oil and gas produced from leases or properties in the state  
12 that include land north of 68 degrees North latitude, other than gas produced  
13 before 2022 and used in the state;

14 (B) oil and gas produced from leases or properties in the state  
15 outside the Cook Inlet sedimentary basin, no part of which is north of 68  
16 degrees North latitude and that qualifies for a tax credit under AS 43.55.024(a)  
17 and (b); this subparagraph does not apply to

18 (i) gas produced before 2022 and used in the state; or

19 (ii) oil and gas subject to AS 43.55.011(p);

20 (C) oil produced before 2022 from each lease or property in the  
21 Cook Inlet sedimentary basin;

22 (D) gas produced before 2022 from each lease or property in  
23 the Cook Inlet sedimentary basin;

24 (E) gas produced before 2022 from each lease or property in  
25 the state outside the Cook Inlet sedimentary basin and used in the state, other  
26 than gas subject to AS 43.55.011(p);

27 (F) oil and gas subject to AS 43.55.011(p) produced from  
28 leases or properties in the state;

29 (G) oil and gas produced from leases or properties in the state  
30 no part of which is north of 68 degrees North latitude, other than oil or gas  
31 described in (B), (C), (D), (E), or (F) of this paragraph;

1 (2) AS 43.55.011(g), for oil and gas produced before January 1, 2014,  
2 the monthly production tax value of the taxable

3 (A) oil and gas produced during a month from leases or  
4 properties in the state that include land north of 68 degrees North latitude is the  
5 gross value at the point of production of the oil and gas taxable under  
6 AS 43.55.011(e) and produced by the producer from those leases or properties,  
7 less 1/12 of the producer's lease expenditures under AS 43.55.165 for the  
8 calendar year applicable to the oil and gas produced by the producer from  
9 those leases or properties, as adjusted under AS 43.55.170; this subparagraph  
10 does not apply to gas subject to AS 43.55.011(o);

11 (B) oil and gas produced during a month from leases or  
12 properties in the state outside the Cook Inlet sedimentary basin, no part of  
13 which is north of 68 degrees North latitude, is the gross value at the point of  
14 production of the oil and gas taxable under AS 43.55.011(e) and produced by  
15 the producer from those leases or properties, less 1/12 of the producer's lease  
16 expenditures under AS 43.55.165 for the calendar year applicable to the oil and  
17 gas produced by the producer from those leases or properties, as adjusted under  
18 AS 43.55.170; this subparagraph does not apply to gas subject to  
19 AS 43.55.011(o);

20 (C) oil produced during a month from a lease or property in the  
21 Cook Inlet sedimentary basin is the gross value at the point of production of  
22 the oil taxable under AS 43.55.011(e) and produced by the producer from that  
23 lease or property, less 1/12 of the producer's lease expenditures under  
24 AS 43.55.165 for the calendar year applicable to the oil produced by the  
25 producer from that lease or property, as adjusted under AS 43.55.170;

26 (D) gas produced during a month from a lease or property in  
27 the Cook Inlet sedimentary basin is the gross value at the point of production  
28 of the gas taxable under AS 43.55.011(e) and produced by the producer from  
29 that lease or property, less 1/12 of the producer's lease expenditures under  
30 AS 43.55.165 for the calendar year applicable to the gas produced by the  
31 producer from that lease or property, as adjusted under AS 43.55.170;

1 (E) gas produced during a month from a lease or property  
2 outside the Cook Inlet sedimentary basin and used in the state is the gross  
3 value at the point of production of that gas taxable under AS 43.55.011(e) and  
4 produced by the producer from that lease or property, less 1/12 of the  
5 producer's lease expenditures under AS 43.55.165 for the calendar year  
6 applicable to that gas produced by the producer from that lease or property, as  
7 adjusted under AS 43.55.170."  
8

9 Renumber the following bill sections accordingly.

10  
11 Page 22, line 19:

12 Delete "sec. 38"

13 Insert "sec. 40"

14  
15 Page 24, following line 28:

16 Insert a new bill section to read:

17 **"\* Sec. 44.** AS 43.55.160(h) is amended to read:

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

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

28 (2) before or during the last calendar year under AS 43.55.024(b) for  
29 which the producer could take a tax credit under AS 43.55.024(a), from leases or  
30 properties in the state outside the Cook Inlet sedimentary basin, no part of which is  
31 north of 68 degrees North latitude, other than leases or properties subject to

1 AS 43.55.011(p), is the gross value at the point of production of that oil, less the  
2 producer's lease expenditures under AS 43.55.165 for the calendar year incurred to  
3 explore for, develop, or produce oil and gas deposits located in the state outside the  
4 Cook Inlet sedimentary basin and south of 68 degrees North latitude, other than oil  
5 and gas deposits located in a lease or property that includes land north of 68 degrees  
6 North latitude or that is subject to AS 43.55.011(p) or, before January 1, 2027, from  
7 which commercial production has not begun, as adjusted under AS 43.55.170;

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

15 (4) from leases or properties in the state no part of which is north of 68  
16 degrees North latitude, other than leases or properties subject to (2) or (3) of this  
17 subsection, is the gross value at the point of production of that oil less the producer's  
18 lease expenditures under AS 43.55.165 for the calendar year incurred to explore for,  
19 develop, or produce oil and gas deposits located in the state south of 68 degrees North  
20 latitude, other than oil and gas deposits located in a lease or property in the state that  
21 includes land north of 68 degrees North latitude, and excluding lease expenditures that  
22 are deductible under (2) or (3) of this subsection or would be deductible under (2) or  
23 (3) of this subsection if not prohibited by (b) of this section, as adjusted under  
24 AS 43.55.170."

25  
26 Renumber the following bill sections accordingly.

27  
28 Page 28, following line 5:

29 Insert a new bill section to read:

30 "\* **Sec. 52.** AS 43.98.050 is amended to read:

31 **Sec. 43.98.050. Duties.** The duties of the board include the following:

1 (1) establish and maintain a salient collection of information related to  
2 oil and gas exploration, development, and production in the state and related to tax  
3 structures, rates, and credits in other regions with oil and gas resources;

4 (2) review historical, current, and potential levels of investment in the  
5 state's oil and gas sector;

6 (3) identify factors that affect investment in oil and gas exploration,  
7 development, and production in the state, including tax structure, rates, and credits;  
8 royalty requirements; infrastructure; workforce availability; and regulatory  
9 requirements;

10 (4) review the competitive position of the state to attract and maintain  
11 investment in the oil and gas sector in the state as compared to the competitive  
12 position of other regions with oil and gas resources;

13 (5) in order to facilitate the work of the board, establish procedures to  
14 accept and keep confidential information that is beneficial to the work of the board,  
15 including the creation of a secure data room and confidentiality agreements to be  
16 signed by individuals having access to confidential information;

17 (6) make written findings and recommendations to the Alaska State  
18 Legislature before

19 (A) January 31, 2015, or as soon thereafter as practicable,  
20 regarding

21 (i) changes to the state's regulatory environment and  
22 permitting structure that would be conducive to encouraging increased  
23 investment while protecting the interests of the people of the state and  
24 the environment;

25 (ii) the status of the oil and gas industry labor pool in  
26 the state and the effectiveness of workforce development efforts by the  
27 state;

28 (iii) the status of the oil-and-gas-related infrastructure  
29 of the state, including a description of infrastructure deficiencies; and

30 (iv) the competitiveness of the state's fiscal oil and gas  
31 tax regime when compared to other regions of the world;

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(B) January 15, 2017, regarding

(i) the state's tax structure and rates on oil and gas produced south of 68 degrees North latitude;

(ii) a tax structure that takes into account the unique economic circumstances for each oil and gas producing area south of 68 degrees North latitude;

(iii) a reduction in the gross value at the point of production for oil and gas produced south of 68 degrees North latitude that is similar to the reduction in gross value at the point of production in AS 43.55.160(g) [AS 43.55.160(f) AND (g)];

(iv) other incentives for oil and gas production south of 68 degrees North latitude;

(C) January 31, 2021, or as soon thereafter as practicable, regarding

(i) changes to the state's fiscal regime that would be conducive to increased and ongoing long-term investment in and development of the state's oil and gas resources;

(ii) alternative means for increasing the state's ability to attract and maintain investment in and development of the state's oil and gas resources; and

(iii) a review of the current effectiveness and future value of any provisions of the state's oil and gas tax laws that are expiring in the next five years."

Renumber the following bill sections accordingly.

Page 28, line 13, following "43.55.075(d)(1),":

Insert "43.55.160(f),"

Page 29, line 23:

Delete "sec. 27"

- 1           Insert "sec. 28"
- 2
- 3   Page 29, line 24:
- 4           Delete "sec. 30"
- 5           Insert "sec. 31"
- 6
- 7   Page 29, line 26:
- 8           Delete "sec. 29"
- 9           Insert "sec. 30"
- 10
- 11   Page 29, line 27:
- 12           Delete "secs. 27, 29, and 30"
- 13           Insert "secs. 28, 30, and 31"
- 14
- 15   Page 29, line 28:
- 16           Delete "sec. 42"
- 17           Insert "sec. 45"
- 18
- 19   Page 30, line 2:
- 20           Delete "sec. 50"
- 21           Insert "sec. 54"
- 22
- 23   Page 30, line 3:
- 24           Delete "sec. 16"
- 25           Insert "sec. 17"
- 26           Delete "sec. 19"
- 27           Insert "sec. 20"
- 28
- 29   Page 30, line 4:
- 30           Delete "sec. 31"
- 31           Insert "sec. 32"

- 1 Delete "secs. 34 and 35"
- 2 Insert "secs. 35 and 36"
- 3
- 4 Page 30, line 5:
  - 5 Delete "sec. 36"
  - 6 Insert "sec. 37"
  - 7 Delete "sec. 43"
  - 8 Insert "sec. 46"
  - 9
- 10 Page 30, line 6:
  - 11 Delete "sec. 44"
  - 12 Insert "sec. 47"
  - 13
- 14 Page 30, line 7:
  - 15 Delete "sec. 50"
  - 16 Insert "sec. 54"
  - 17
- 18 Page 30, lines 10 - 11:
  - 19 Delete "sec. 50"
  - 20 Insert "sec. 54"
  - 21
- 22 Page 30, line 14:
  - 23 Delete "sec. 50"
  - 24 Insert "sec. 54"
  - 25
- 26 Page 30, line 15:
  - 27 Delete "sec. 50"
  - 28 Insert "sec. 54"
  - 29
- 30 Page 30, line 19:
  - 31 Delete "sec. 51"

- 1           Insert "sec. 55"
- 2
- 3   Page 30, lines 19 - 20:
- 4           Delete "sec. 32"
- 5           Insert "sec. 33"
- 6
- 7   Page 30, line 21:
- 8           Delete "sec. 51"
- 9           Insert "sec. 55"
- 10
- 11   Page 30, line 24:
- 12           Delete "sec. 51"
- 13           Insert "sec. 55"
- 14
- 15   Page 30, line 26:
- 16           Delete "sec. 51"
- 17           Insert "sec. 55"
- 18
- 19   Page 30, line 27:
- 20           Delete "sec. 51"
- 21           Insert "sec. 55"
- 22
- 23   Page 31, line 1:
- 24           Delete "sec. 52"
- 25           Insert "sec. 56"
- 26
- 27   Page 31, line 2:
- 28           Delete "sec. 33"
- 29           Insert "sec. 34"
- 30           Delete "sec. 37"
- 31           Insert "sec. 39"

1

2 Page 31, line 3:

3 Delete "sec. 39"

4 Insert "sec. 41"

5

6 Page 31, line 4:

7 Delete "sec. 52"

8 Insert "sec. 56"

9

10 Page 31, line 8:

11 Delete "sec. 52"

12 Insert "sec. 56"

13

14 Page 31, line 10:

15 Delete "sec. 52"

16 Insert "sec. 56"

17

18 Page 31, line 11:

19 Delete "sec. 52"

20 Insert "sec. 56"

21

22 Page 31, line 16:

23 Delete "sec. 52"

24 Insert "sec. 56"

25

26 Page 31, line 17:

27 Delete "sec. 23"

28 Insert "sec. 24"

29 Delete "secs. 26 and 28"

30 Insert "secs. 27 and 29"

31

1 Page 31, line 18:

2 Delete "sec. 33"

3 Insert "sec. 34"

4 Delete "sec. 37"

5 Insert "sec. 39"

6

7 Page 31, line 19:

8 Delete "sec. 45"

9 Insert "sec. 48"

10

11 Page 31, line 21:

12 Delete "sec. 52" in both places.

13 Insert "sec. 56" in both places.

14

15 Page 31, line 26:

16 Delete "sec. 42"

17 Insert "sec. 45"

18

19 Page 31, line 27:

20 Delete "sec. 50"

21 Insert "sec. 54"

22

23 Page 31, line 30:

24 Delete "sec. 50"

25 Insert "sec. 54"

26

27 Page 32, line 4:

28 Delete "sec. 50"

29 Insert "sec. 54"

30

31 Page 32, line 6:

- 1 Delete "sec. 50"
- 2 Insert "sec. 54"
- 3
- 4 Page 32, line 9:
  - 5 Delete "sec. 50"
  - 6 Insert "sec. 54"
  - 7
- 8 Page 32, line 12:
  - 9 Delete "sec. 50"
  - 10 Insert "sec. 54"
  - 11
- 12 Page 32, line 14:
  - 13 Delete "sec. 50"
  - 14 Insert "sec. 54"
  - 15
- 16 Page 33, line 9:
  - 17 Delete "Sections 22, 53, 61, and 62"
  - 18 Insert "Sections 23, 57, 65, and 66"
  - 19
- 20 Page 33, line 11:
  - 21 Delete "Sections 32, 51, and 56"
  - 22 Insert "Sections 33, 55, and 60"
  - 23
- 24 Page 33, line 12:
  - 25 Delete "Sections 23, 26, 28, 33, 37, 39, 45, 52, 57, and 58"
  - 26 Insert "Sections 24, 27, 29, 34, 39, 41, 48, 56, 61, and 62"
  - 27
- 28 Page 33, line 14:
  - 29 Delete "secs. 63 - 65"
  - 30 Insert "secs. 67 - 69"

AMENDMENT

④

TUCK

OFFERED IN THE HOUSE

TO: 2d CSHB 247( ), Draft Version "D"

- 1 Page 11, line 7:
- 2 Delete "\$8"
- 3 Insert "\$4 [\$8]"
- 4
- 5 Page 11, line 9:
- 6 Delete "\$7"
- 7 Insert "\$3.50 [\$7]"
- 8
- 9 Page 11, line 12:
- 10 Delete "\$6"
- 11 Insert "\$3 [\$6]"
- 12
- 13 Page 11, line 15:
- 14 Delete "\$5"
- 15 Insert "\$2.50 [\$5]"
- 16
- 17 Page 11, line 18:
- 18 Delete "\$4"
- 19 Insert "\$2 [\$4]"
- 20
- 21 Page 11, line 21:
- 22 Delete "\$3"
- 23 Insert "\$1.50 [\$3]"

1

2 Page 11, line 24:

3 Delete "\$2"

4 Insert "\$1 [\$2]"

5

6 Page 11, line 27:

7 Delete "\$1"

8 Insert "\$0.50 [\$1]"

AMENDMENT

5

Tuck

OFFERED IN THE HOUSE

TO: 2d CSHB 247( ), Draft Version "D"

1 Page 5, following line 31:

2 Insert a new bill section to read:

3 **\*\* Sec. 13.** AS 43.55.011(f) is amended to read:

4 (f) The levy of tax under (e) of this section for

5 (1) oil and gas produced before January 1, 2017 [JANUARY 1,  
6 2022], from leases or properties that include land north of 68 degrees North latitude,  
7 other than gas subject to (o) of this section, may not be less than

8 (A) four percent of the gross value at the point of production  
9 when the average price per barrel for Alaska North Slope crude oil for sale on  
10 the United States West Coast during the calendar year for which the tax is due  
11 is more than \$25;

12 (B) three percent of the gross value at the point of production  
13 when the average price per barrel for Alaska North Slope crude oil for sale on  
14 the United States West Coast during the calendar year for which the tax is due  
15 is over \$20 but not over \$25;

16 (C) two percent of the gross value at the point of production  
17 when the average price per barrel for Alaska North Slope crude oil for sale on  
18 the United States West Coast during the calendar year for which the tax is due  
19 is over \$17.50 but not over \$20;

20 (D) one percent of the gross value at the point of production  
21 when the average price per barrel for Alaska North Slope crude oil for sale on  
22 the United States West Coast during the calendar year for which the tax is due  
23 is over \$15 but not over \$17.50; or

1 (E) zero percent of the gross value at the point of production  
2 when the average price per barrel for Alaska North Slope crude oil for sale on  
3 the United States West Coast during the calendar year for which the tax is due  
4 is \$15 or less; [AND]

5 (2) oil and gas produced on and after January 1, 2017, but before  
6 January 1, 2022, from leases or properties that include land north of 68 degrees  
7 North latitude,

8 (A) by a producer that does not qualify under (B) of this  
9 paragraph, may not be less than

10 (i) 10 percent of the gross value at the point of  
11 production when the average price per barrel for Alaska North  
12 Slope crude oil for sale on the United States West Coast during the  
13 calendar year for which the tax is due is more than \$85;

14 (ii) nine percent of the gross value at the point of  
15 production when the average price per barrel for Alaska North  
16 Slope crude oil for sale on the United States West Coast during the  
17 calendar year for which the tax is due is over \$80 but not over \$85;

18 (iii) eight percent of the gross value at the point of  
19 production when the average price per barrel for Alaska North  
20 Slope crude oil for sale on the United States West Coast during the  
21 calendar year for which the tax is due is over \$75 but not over \$80;

22 (iv) seven percent of the gross value at the point of  
23 production when the average price per barrel for Alaska North  
24 Slope crude oil for sale on the United States West Coast during the  
25 calendar year for which the tax is due is over \$70 but not over \$75;

26 (v) six percent of the gross value at the point of  
27 production when the average price per barrel for Alaska North  
28 Slope crude oil for sale on the United States West Coast during the  
29 calendar year for which the tax is due is over \$65 but not over \$70;

30 (vi) five percent of the gross value at the point of  
31 production when the average price per barrel for Alaska North

1 Slope crude oil for sale on the United States West Coast during the  
2 calendar year for which the tax is due is over \$60 but not over \$65;  
3 or

4 (vii) four percent of the gross value at the point of  
5 production when the average price per barrel for Alaska North  
6 Slope crude oil for sale on the United States West Coast during the  
7 calendar year for which the tax is due is \$60 or less; or

8 (B) by a producer that produces less than an average of  
9 30,000 barrels of oil a day, in total, from leases or properties located north  
10 of 68 degrees North latitude and that produces oil or gas that qualifies for  
11 a reduction in the gross value of the point of production under  
12 AS 43.55.160(f) may not be less than

13 (i) 10 percent of the gross value at the point of  
14 production when the average price per barrel for Alaska North  
15 Slope crude oil for sale on the United States West Coast during the  
16 calendar year for which the tax is due is more than \$100;

17 (ii) nine percent of the gross value at the point of  
18 production when the average price per barrel for Alaska North  
19 Slope crude oil for sale on the United States West Coast during the  
20 calendar year for which the tax is due is over \$95 but not over  
21 \$100;

22 (iii) eight percent of the gross value at the point of  
23 production when the average price per barrel for Alaska North  
24 Slope crude oil for sale on the United States West Coast during the  
25 calendar year for which the tax is due is over \$90 but not over \$95;

26 (iv) seven percent of the gross value at the point of  
27 production when the average price per barrel for Alaska North  
28 Slope crude oil for sale on the United States West Coast during the  
29 calendar year for which the tax is due is over \$85 but not over \$90;

30 (v) six percent of the gross value at the point of  
31 production when the average price per barrel for Alaska North

Slope crude oil for sale on the United States West Coast during the calendar year for which the tax is due is over \$80 but not over \$85;

(vi) five percent of the gross value at the point of production when the average price per barrel for Alaska North Slope crude oil for sale on the United States West Coast during the calendar year for which the tax is due is over \$75 but not over \$80;

or

(vii) four percent of the gross value at the point of production when the average price per barrel for Alaska North Slope crude oil for sale on the United States West Coast during the calendar year for which the tax is due is \$75 or less; and

(3) oil produced on and after January 1, 2022, from leases or properties that include land north of 68 degrees North latitude,

(A) by a producer that does not qualify under (B) of this paragraph, may not be less than

(i) 10 [(A) FOUR] percent of the gross value at the point of production when the average price per barrel for Alaska North Slope crude oil for sale on the United States West Coast during the calendar year for which the tax is due is more than \$85 [\$25];

(ii) nine [(B) THREE] percent of the gross value at the point of production when the average price per barrel for Alaska North Slope crude oil for sale on the United States West Coast during the calendar year for which the tax is due is over \$80 [\$20] but not over \$85 [\$25];

(iii) eight [(C) TWO] percent of the gross value at the point of production when the average price per barrel for Alaska North Slope crude oil for sale on the United States West Coast during the calendar year for which the tax is due is over \$75 [\$17.50] but not over \$80 [\$20];

(iv) seven [(D) ONE] percent of the gross value at the point of production when the average price per barrel for Alaska North

1 Slope crude oil for sale on the United States West Coast during the  
2 calendar year for which the tax is due is over \$70 [\$15] but not over  
3 \$75;

4 (v) six percent of the gross value at the point of  
5 production when the average price per barrel for Alaska North  
6 Slope crude oil for sale on the United States West Coast during the  
7 calendar year for which the tax is due is over \$65 but not over \$70;

8 (vi) five percent of the gross value at the point of  
9 production when the average price per barrel for Alaska North  
10 Slope crude oil for sale on the United States West Coast during the  
11 calendar year for which the tax is due is over \$60 but not over \$65  
12 [\$17.50]; or

13 (vii) four [(E) ZERO] percent of the gross value at the  
14 point of production when the average price per barrel for Alaska North  
15 Slope crude oil for sale on the United States West Coast during the  
16 calendar year for which the tax is due is \$60 [\$15] or less; or

17 (B) by a producer that produces less than an average of  
18 30,000 barrels of oil a day, in total, from leases or properties located north  
19 of 68 degrees North latitude and that produces oil that qualifies for a  
20 reduction in the gross value of the point of production under  
21 AS 43.55.160(f) may not be less than

22 (i) 10 percent of the gross value at the point of  
23 production when the average price per barrel for Alaska North  
24 Slope crude oil for sale on the United States West Coast during the  
25 calendar year for which the tax is due is more than \$100;

26 (ii) nine percent of the gross value at the point of  
27 production when the average price per barrel for Alaska North  
28 Slope crude oil for sale on the United States West Coast during the  
29 calendar year for which the tax is due is over \$95 but not over  
30 \$100;

31 (iii) eight percent of the gross value at the point of

production when the average price per barrel for Alaska North Slope crude oil for sale on the United States West Coast during the calendar year for which the tax is due is over \$90 but not over \$95;

(iv) seven percent of the gross value at the point of production when the average price per barrel for Alaska North Slope crude oil for sale on the United States West Coast during the calendar year for which the tax is due is over \$85 but not over \$90;

(v) six percent of the gross value at the point of production when the average price per barrel for Alaska North Slope crude oil for sale on the United States West Coast during the calendar year for which the tax is due is over \$80 but not over \$85;

(vi) five percent of the gross value at the point of production when the average price per barrel for Alaska North Slope crude oil for sale on the United States West Coast during the calendar year for which the tax is due is over \$75 but not over \$80;

or

(vii) four percent of the gross value at the point of production when the average price per barrel for Alaska North Slope crude oil for sale on the United States West Coast during the calendar year for which the tax is due is \$75 or less."

Renumber the following bill sections accordingly.

Page 7, following line 4:

Insert a new bill section to read:

**"\* Sec. 16.** AS 43.55.020(a) is amended to read:

(a) For a calendar year, a producer subject to tax under AS 43.55.011 shall pay the tax as follows:

(1) for oil and gas produced before January 1, 2014, an installment payment of the estimated tax levied by AS 43.55.011(e), net of any tax credits applied as allowed by law, is due for each month of the calendar year on the last day of the

1 following month; except as otherwise provided under (2) of this subsection, the  
2 amount of the installment payment is the sum of the following amounts, less 1/12 of  
3 the tax credits that are allowed by law to be applied against the tax levied by  
4 AS 43.55.011(e) for the calendar year, but the amount of the installment payment may  
5 not be less than zero:

6 (A) for oil and gas not subject to AS 43.55.011(o) or (p)  
7 produced from leases or properties in the state outside the Cook Inlet  
8 sedimentary basin, other than leases or properties subject to AS 43.55.011(f),  
9 the greater of

10 (i) zero; or

11 (ii) the sum of 25 percent and the tax rate calculated for  
12 the month under AS 43.55.011(g) multiplied by the remainder obtained  
13 by subtracting 1/12 of the producer's adjusted lease expenditures for the  
14 calendar year of production under AS 43.55.165 and 43.55.170 that are  
15 deductible for the oil and gas under AS 43.55.160 from the gross value  
16 at the point of production of the oil and gas produced from the leases or  
17 properties during the month for which the installment payment is  
18 calculated;

19 (B) for oil and gas produced from leases or properties subject  
20 to AS 43.55.011(f), the greatest of

21 (i) zero;

22 (ii) zero percent, one percent, two percent, three  
23 percent, or four percent, as applicable, of the gross value at the point of  
24 production of the oil and gas produced from the leases or properties  
25 during the month for which the installment payment is calculated; or

26 (iii) the sum of 25 percent and the tax rate calculated for  
27 the month under AS 43.55.011(g) multiplied by the remainder obtained  
28 by subtracting 1/12 of the producer's adjusted lease expenditures for the  
29 calendar year of production under AS 43.55.165 and 43.55.170 that are  
30 deductible for the oil and gas under AS 43.55.160 from the gross value  
31 at the point of production of the oil and gas produced from those leases

1 or properties during the month for which the installment payment is  
2 calculated;

3 (C) for oil or gas subject to AS 43.55.011(j), (k), or (o), for  
4 each lease or property, the greater of

5 (i) zero; or

6 (ii) the sum of 25 percent and the tax rate calculated for  
7 the month under AS 43.55.011(g) multiplied by the remainder obtained  
8 by subtracting 1/12 of the producer's adjusted lease expenditures for the  
9 calendar year of production under AS 43.55.165 and 43.55.170 that are  
10 deductible under AS 43.55.160 for the oil or gas, respectively,  
11 produced from the lease or property from the gross value at the point of  
12 production of the oil or gas, respectively, produced from the lease or  
13 property during the month for which the installment payment is  
14 calculated;

15 (D) for oil and gas subject to AS 43.55.011(p), the lesser of

16 (i) the sum of 25 percent and the tax rate calculated for  
17 the month under AS 43.55.011(g) multiplied by the remainder obtained  
18 by subtracting 1/12 of the producer's adjusted lease expenditures for the  
19 calendar year of production under AS 43.55.165 and 43.55.170 that are  
20 deductible for the oil and gas under AS 43.55.160 from the gross value  
21 at the point of production of the oil and gas produced from the leases or  
22 properties during the month for which the installment payment is  
23 calculated, but not less than zero; or

24 (ii) four percent of the gross value at the point of  
25 production of the oil and gas produced from the leases or properties  
26 during the month, but not less than zero;

27 (2) an amount calculated under (1)(C) of this subsection for oil or gas  
28 subject to AS 43.55.011(j), (k), or (o) may not exceed the product obtained by  
29 carrying out the calculation set out in AS 43.55.011(j)(1) or (2) or 43.55.011(o), as  
30 applicable, for gas or set out in AS 43.55.011(k)(1) or (2), as applicable, for oil, but  
31 substituting in AS 43.55.011(j)(1)(A) or (2)(A) or 43.55.011(o), as applicable, the

1 amount of taxable gas produced during the month for the amount of taxable gas  
2 produced during the calendar year and substituting in as 43.55.011(k)(1)(A) or (2)(A),  
3 as applicable, the amount of taxable oil produced during the month for the amount of  
4 taxable oil produced during the calendar year;

5 (3) an installment payment of the estimated tax levied by  
6 AS 43.55.011(i) for each lease or property is due for each month of the calendar year  
7 on the last day of the following month; the amount of the installment payment is the  
8 sum of

9 (A) the applicable tax rate for oil provided under  
10 AS 43.55.011(i), multiplied by the gross value at the point of production of the  
11 oil taxable under AS 43.55.011(i) and produced from the lease or property  
12 during the month; and

13 (B) the applicable tax rate for gas provided under  
14 AS 43.55.011(i), multiplied by the gross value at the point of production of the  
15 gas taxable under AS 43.55.011(i) and produced from the lease or property  
16 during the month;

17 (4) any amount of tax levied by AS 43.55.011, net of any credits  
18 applied as allowed by law, that exceeds the total of the amounts due as installment  
19 payments of estimated tax is due on March 31 of the year following the calendar year  
20 of production;

21 (5) for oil and gas produced on and after January 1, 2014, and before  
22 January 1, 2022, an installment payment of the estimated tax levied by  
23 AS 43.55.011(e), net of any tax credits applied as allowed by law, is due for each  
24 month of the calendar year on the last day of the following month; except as otherwise  
25 provided under (6) of this subsection, the amount of the installment payment is the  
26 sum of the following amounts, less 1/12 of the tax credits that are allowed by law to be  
27 applied against the tax levied by AS 43.55.011(e) for the calendar year, but the amount  
28 of the installment payment may not be less than zero:

29 (A) for oil and gas not subject to AS 43.55.011(o) or (p)  
30 produced from leases or properties in the state outside the Cook Inlet  
31 sedimentary basin, other than leases or properties subject to AS 43.55.011(f),

1 the greater of

2 (i) zero; or

3 (ii) 35 percent multiplied by the remainder obtained by  
4 subtracting 1/12 of the producer's adjusted lease expenditures for the  
5 calendar year of production under AS 43.55.165 and 43.55.170 that are  
6 deductible for the oil and gas under AS 43.55.160 from the gross value  
7 at the point of production of the oil and gas produced from the leases or  
8 properties during the month for which the installment payment is  
9 calculated;

10 (B) for oil and gas produced from leases or properties subject  
11 to AS 43.55.011(f), the greatest of

12 (i) zero;

13 (ii) **the** [ZERO PERCENT, ONE PERCENT, TWO  
14 PERCENT, THREE PERCENT, OR FOUR] percent [, AS] applicable  
15 **under AS 43.55.011(f)** [,] of the gross value at the point of production  
16 of the oil and gas produced from the leases or properties during the  
17 month for which the installment payment is calculated; or

18 (iii) 35 percent multiplied by the remainder obtained by  
19 subtracting 1/12 of the producer's adjusted lease expenditures for the  
20 calendar year of production under AS 43.55.165 and 43.55.170 that are  
21 deductible for the oil and gas under AS 43.55.160 from the gross value  
22 at the point of production of the oil and gas produced from those leases  
23 or properties during the month for which the installment payment is  
24 calculated, except that, for the purposes of this calculation, a reduction  
25 from the gross value at the point of production may apply for oil and  
26 gas subject to AS 43.55.160(f) or (g);

27 (C) for oil or gas subject to AS 43.55.011(j), (k), or (o), for  
28 each lease or property, the greater of

29 (i) zero; or

30 (ii) 35 percent multiplied by the remainder obtained by  
31 subtracting 1/12 of the producer's adjusted lease expenditures for the

1 calendar year of production under AS 43.55.165 and 43.55.170 that are  
2 deductible under AS 43.55.160 for the oil or gas, respectively,  
3 produced from the lease or property from the gross value at the point of  
4 production of the oil or gas, respectively, produced from the lease or  
5 property during the month for which the installment payment is  
6 calculated;

7 (D) for oil and gas subject to AS 43.55.011(p), the lesser of

8 (i) 35 percent multiplied by the remainder obtained by  
9 subtracting 1/12 of the producer's adjusted lease expenditures for the  
10 calendar year of production under AS 43.55.165 and 43.55.170 that are  
11 deductible for the oil and gas under AS 43.55.160 from the gross value  
12 at the point of production of the oil and gas produced from the leases or  
13 properties during the month for which the installment payment is  
14 calculated, but not less than zero; or

15 (ii) four percent of the gross value at the point of  
16 production of the oil and gas produced from the leases or properties  
17 during the month, but not less than zero;

18 (6) an amount calculated under (5)(C) of this subsection for oil or gas  
19 subject to AS 43.55.011(j), (k), or (o) may not exceed the product obtained by  
20 carrying out the calculation set out in AS 43.55.011(j)(1) or (2) or 43.55.011(o), as  
21 applicable, for gas or set out in AS 43.55.011(k)(1) or (2), as applicable, for oil, but  
22 substituting in AS 43.55.011(j)(1)(A) or (2)(A) or 43.55.011(o), as applicable, the  
23 amount of taxable gas produced during the month for the amount of taxable gas  
24 produced during the calendar year and substituting in AS 43.55.011(k)(1)(A) or  
25 (2)(A), as applicable, the amount of taxable oil produced during the month for the  
26 amount of taxable oil produced during the calendar year;

27 (7) for oil and gas produced on or after January 1, 2022, an installment  
28 payment of the estimated tax levied by AS 43.55.011(e), net of any tax credits applied  
29 as allowed by law, is due for each month of the calendar year on the last day of the  
30 following month; the amount of the installment payment is the sum of the following  
31 amounts, less 1/12 of the tax credits that are allowed by law to be applied against the

1 tax levied by AS 43.55.011(e) for the calendar year, but the amount of the installment  
2 payment may not be less than zero:

3 (A) for oil produced from leases or properties that include land  
4 north of 68 degrees North latitude, the greatest of

5 (i) zero;

6 (ii) **the** [ZERO PERCENT, ONE PERCENT, TWO  
7 PERCENT, THREE PERCENT, OR FOUR] percent [,] as applicable  
8 **under AS 43.55.011(f)** [,] of the gross value at the point of production  
9 of the oil produced from the leases or properties during the month for  
10 which the installment payment is calculated; or

11 (iii) 35 percent multiplied by the remainder obtained by  
12 subtracting 1/12 of the producer's adjusted lease expenditures for the  
13 calendar year of production under AS 43.55.165 and 43.55.170 that are  
14 deductible for the oil under AS 43.55.160(h)(1) from the gross value at  
15 the point of production of the oil produced from those leases or  
16 properties during the month for which the installment payment is  
17 calculated, except that, for the purposes of this calculation, a reduction  
18 from the gross value at the point of production may apply for oil  
19 subject to AS 43.55.160(f) or 43.55.160(f) and (g);

20 (B) for oil produced before or during the last calendar year  
21 under AS 43.55.024(b) for which the producer could take a tax credit under  
22 AS 43.55.024(a), from leases or properties in the state outside the Cook Inlet  
23 sedimentary basin, no part of which is north of 68 degrees North latitude, other  
24 than leases or properties subject to AS 43.55.011(p), the greater of

25 (i) zero; or

26 (ii) 35 percent multiplied by the remainder obtained by  
27 subtracting 1/12 of the producer's adjusted lease expenditures for the  
28 calendar year of production under AS 43.55.165 and 43.55.170 that are  
29 deductible for the oil under AS 43.55.160(h)(2) from the gross value at  
30 the point of production of the oil produced from the leases or properties  
31 during the month for which the installment payment is calculated;

1 (C) for oil and gas produced from leases or properties subject  
2 to AS 43.55.011(p), except as otherwise provided under (8) of this subsection,  
3 the sum of

4 (i) 35 percent multiplied by the remainder obtained by  
5 subtracting 1/12 of the producer's adjusted lease expenditures for the  
6 calendar year of production under AS 43.55.165 and 43.55.170 that are  
7 deductible for the oil under AS 43.55.160(h)(3) from the gross value at  
8 the point of production of the oil produced from the leases or properties  
9 during the month for which the installment payment is calculated, but  
10 not less than zero; and

11 (ii) 13 percent of the gross value at the point of  
12 production of the gas produced from the leases or properties during the  
13 month, but not less than zero;

14 (D) for oil produced from leases or properties in the state, no  
15 part of which is north of 68 degrees North latitude, other than leases or  
16 properties subject to (B) or (C) of this paragraph, the greater of

17 (i) zero; or

18 (ii) 35 percent multiplied by the remainder obtained by  
19 subtracting 1/12 of the producer's adjusted lease expenditures for the  
20 calendar year of production under AS 43.55.165 and 43.55.170 that are  
21 deductible for the oil under AS 43.55.160(h)(4) from the gross value at  
22 the point of production of the oil produced from the leases or properties  
23 during the month for which the installment payment is calculated;

24 (E) for gas produced from each lease or property in the state,  
25 other than a lease or property subject to AS 43.55.011(p), 13 percent of the  
26 gross value at the point of production of the gas produced from the lease or  
27 property during the month for which the installment payment is calculated, but  
28 not less than zero;

29 (8) an amount calculated under (7)(C) of this subsection may not  
30 exceed four percent of the gross value at the point of production of the oil and gas  
31 produced from leases or properties subject to AS 43.55.011(p) during the month for

1 which the installment payment is calculated;  
2 (9) for purposes of the calculation under (1)(B)(ii), (5)(B)(ii), and  
3 (7)(A)(ii) of this subsection, the applicable percentage of the gross value at the point  
4 of production is determined under AS 43.55.011(f) [AS 43.55.011(f)(1) OR (2)] but  
5 substituting the phrase "month for which the installment payment is calculated" in  
6 [AS 43.55.011(f)(1) AND (2)] for the phrase "calendar year for which the tax is due."  
7

8 Renumber the following bill sections accordingly.

9

10 Page 13, line 12:

11 Delete "sec. 22"

12 Insert "sec. 24"

13

14 Page 15, line 15:

15 Delete "sec. 25"

16 Insert "sec. 27"

17

18 Page 16, line 14:

19 Delete "sec. 27"

20 Insert "sec. 29"

21

22 Page 18, line 17:

23 Delete "sec. 31"

24 Insert "sec. 33"

25

26 Page 18, line 30:

27 Delete "secs. 31 and 32"

28 Insert "secs. 33 and 34"

29

30 Page 22, line 19:

31 Delete "sec. 38"

- 1           Insert "sec. 40"
- 2
- 3   Page 29, line 23:
- 4           Delete "sec. 27"
- 5           Insert "sec. 29"
- 6
- 7   Page 29, line 24:
- 8           Delete "sec. 30"
- 9           Insert "sec. 32"
- 10
- 11   Page 29, line 26:
- 12           Delete "sec. 29"
- 13           Insert "sec. 31"
- 14
- 15   Page 29, line 27:
- 16           Delete "secs. 27, 29, and 30"
- 17           Insert "secs. 29, 31, and 32"
- 18
- 19   Page 29, line 28:
- 20           Delete "sec. 42"
- 21           Insert "sec. 44"
- 22
- 23   Page 30, line 2:
- 24           Delete "sec. 50"
- 25           Insert "sec. 52"
- 26
- 27   Page 30, line 3:
- 28           Delete "sec. 16"
- 29           Insert "sec. 18"
- 30           Delete "sec. 19"
- 31           Insert "sec. 21"

1

2 Page 30, line 4:

3 Delete "sec. 31"

4 Insert "sec. 33"

5 Delete "secs. 34 and 35"

6 Insert "secs. 36 and 37"

7

8 Page 30, line 5:

9 Delete "sec. 36"

10 Insert "sec. 38"

11 Delete "sec. 43"

12 Insert "sec. 45"

13

14 Page 30, line 6:

15 Delete "sec. 44"

16 Insert "sec. 46"

17

18 Page 30, line 7:

19 Delete "sec. 50"

20 Insert "sec. 52"

21

22 Page 30, lines 10 - 11:

23 Delete "sec. 50"

24 Insert "sec. 52"

25

26 Page 30, line 14:

27 Delete "sec. 50"

28 Insert "sec. 52"

29

30 Page 30, line 15:

31 Delete "sec. 50"

- 1           Insert "sec. 52"
- 2
- 3   Page 30, line 19:
- 4           Delete "sec. 51"
- 5           Insert "sec. 53"
- 6
- 7   Page 30, lines 19 - 20:
- 8           Delete "sec. 32"
- 9           Insert "sec. 34"
- 10
- 11   Page 30, line 21:
- 12           Delete "sec. 51"
- 13           Insert "sec. 53"
- 14
- 15   Page 30, line 24:
- 16           Delete "sec. 51"
- 17           Insert "sec. 53"
- 18
- 19   Page 30, line 26:
- 20           Delete "sec. 51"
- 21           Insert "sec. 53"
- 22
- 23   Page 30, line 27:
- 24           Delete "sec. 51"
- 25           Insert "sec. 53"
- 26
- 27   Page 31, line 1:
- 28           Delete "sec. 52"
- 29           Insert "sec. 54"
- 30
- 31   Page 31, line 2:

- 1 Delete "sec. 33"
- 2 Insert "sec. 35"
- 3 Delete "sec. 37"
- 4 Insert "sec. 39"
- 5
- 6 Page 31, line 3:
  - 7 Delete "sec. 39"
  - 8 Insert "sec. 41"
  - 9
- 10 Page 31, line 4:
  - 11 Delete "sec. 52"
  - 12 Insert "sec. 54"
  - 13
- 14 Page 31, line 8:
  - 15 Delete "sec. 52"
  - 16 Insert "sec. 54"
  - 17
- 18 Page 31, line 10:
  - 19 Delete "sec. 52"
  - 20 Insert "sec. 54"
  - 21
- 22 Page 31, line 11:
  - 23 Delete "sec. 52"
  - 24 Insert "sec. 54"
  - 25
- 26 Page 31, line 16:
  - 27 Delete "sec. 52"
  - 28 Insert "sec. 54"
  - 29
- 30 Page 31, line 17:
  - 31 Delete "sec. 23"

- 1           Insert "sec. 25"
- 2           Delete "secs. 26 and 28"
- 3           Insert "secs. 28 and 30"
- 4
- 5   Page 31, line 18:
- 6           Delete "sec. 33"
- 7           Insert "sec. 35"
- 8           Delete "sec. 37"
- 9           Insert "sec. 39"
- 10
- 11   Page 31, line 19:
- 12           Delete "sec. 45"
- 13           Insert "sec. 47"
- 14
- 15   Page 31, line 21:
- 16           Delete "sec. 52" in both places
- 17           Insert "sec. 54" in both places
- 18
- 19   Page 31, line 26:
- 20           Delete "sec. 42"
- 21           Insert "sec. 44"
- 22
- 23   Page 31, line 27:
- 24           Delete "sec. 50"
- 25           Insert "sec. 52"
- 26
- 27   Page 31, line 30:
- 28           Delete "sec. 50"
- 29           Insert "sec. 52"
- 30
- 31   Page 32, line 4:

1 Delete "sec. 50"

2 Insert "sec. 52"

3

4 Page 32, line 6:

5 Delete "sec. 50"

6 Insert "sec. 52"

7

8 Page 32, line 9:

9 Delete "sec. 50"

10 Insert "sec. 52"

11

12 Page 32, line 12:

13 Delete "sec. 50"

14 Insert "sec. 52"

15

16 Page 32, line 14:

17 Delete "sec. 50"

18 Insert "sec. 52"

19

20 Page 33, line 9:

21 Delete "Sections 22, 53, 61, and 62"

22 Insert "Sections 24, 55, 63, and 64"

23

24 Page 33, line 11:

25 Delete "Sections 32, 51, and 56"

26 Insert "Sections 34, 53, and 58"

27

28 Page 33, line 12:

29 Delete "Sections 23, 26, 28, 33, 37, 39, 45, 52, 57, and 58"

30 Insert "Sections 25, 28, 30, 35, 39, 41, 47, 54, 59, and 60"

31

- 1 Page 33, line 14:
- 2 Delete "secs. 63 - 65"
- 3 Insert "secs. 65 - 67"

AMENDMENT

(6)

Tuck

OFFERED IN THE HOUSE

TO: 2d CSHB 247( ), Draft Version "D"

1 Page 1, line 2, following "credits;":

2 Insert "**relating to the qualified in-state oil refinery infrastructure expenditures**  
3 **tax credit;**"

4  
5 Page 5, following line 23:

6 Insert a new bill section to read:

7 "\* **Sec. 12.** AS 43.20.053(a) is amended to read:

8 (a) A taxpayer that owns an in-state oil refinery whose primary function is the  
9 manufacturing and sale of refined petroleum products to third parties in arm's length  
10 transactions may apply a credit against the tax due under this chapter for a qualified  
11 infrastructure expenditure incurred in the state for a tax year beginning after  
12 December 31, 2014, and before January 1, 2020. The total amount of credit a taxpayer  
13 may receive under this section may not exceed the lesser of 40 percent of qualified  
14 infrastructure expenditures incurred in the state during the tax year or \$10,000,000 for  
15 each in-state refinery for which qualified expenditures are incurred. To qualify for a  
16 credit under this section, a taxpayer that is a corporation, joint venture, or  
17 partnership must be headquartered in the state and at least 51 percent of the  
18 corporation, joint venture, or partnership must be owned by residents of the  
19 state."

20  
21 Renumber the following bill sections accordingly.

22  
23 Page 13, line 12:

1 Delete "sec. 22"

2 Insert "sec. 23"

3

4 Page 15, line 15:

5 Delete "sec. 25"

6 Insert "sec. 26"

7

8 Page 16, line 14:

9 Delete "sec. 27"

10 Insert "sec. 28"

11

12 Page 18, line 17:

13 Delete "sec. 31"

14 Insert "sec. 32"

15

16 Page 18, line 30:

17 Delete "secs. 31 and 32"

18 Insert "secs. 32 and 33"

19

20 Page 22, line 19:

21 Delete "sec. 38"

22 Insert "sec. 39"

23

24 Page 29, line 24:

25 Delete "sec. 30"

26 Insert "sec. 31"

27

28 Page 29, line 26:

29 Delete "sec. 29"

30 Insert "sec. 30"

31

1 Page 29, line 27:

2 Delete "secs. 27, 29, and 30"

3 Insert "secs. 28, 30, and 31"

4

5 Page 29, line 28:

6 Delete "sec. 42"

7 Insert "sec. 43"

8

9 Page 30, line 2:

10 Delete "sec. 50"

11 Insert "sec. 51"

12

13 Page 30, line 4:

14 Delete "sec. 31"

15 Insert "sec. 32"

16 Delete "secs. 34 and 35"

17 Insert "secs. 35 and 36"

18

19 Page 30, line 5:

20 Delete "sec. 36"

21 Insert "sec. 37"

22 Delete "sec. 43"

23 Insert "sec. 44"

24

25 Page 30, line 6:

26 Delete "sec. 44"

27 Insert "sec. 45"

28

29 Page 30, line 7:

30 Delete "sec. 50"

31 Insert "sec. 51"

- 1
- 2 Page 30, lines 10 - 11:
- 3 Delete "sec. 50"
- 4 Insert "sec. 51"
- 5
- 6 Page 30, line 14:
- 7 Delete "sec. 50"
- 8 Insert "sec. 51"
- 9
- 10 Page 30, line 15:
- 11 Delete "sec. 50"
- 12 Insert "sec. 51"
- 13
- 14 Page 30, line 19:
- 15 Delete "sec. 51"
- 16 Insert "sec. 52"
- 17
- 18 Page 30, lines 19 - 20 :
- 19 Delete "sec. 32"
- 20 Insert "sec. 33"
- 21
- 22 Page 30, line 21:
- 23 Delete "sec. 51"
- 24 Insert "sec. 52"
- 25
- 26 Page 30, line 24:
- 27 Delete "sec. 51"
- 28 Insert "sec. 52"
- 29
- 30 Page 30, line 26:
- 31 Delete "sec. 51"

- 1           Insert "sec. 52"
- 2
- 3   Page 30, line 27:
- 4           Delete "sec. 51"
- 5           Insert "sec. 52"
- 6
- 7   Page 31, line 1:
- 8           Delete "sec. 52"
- 9           Insert "sec. 53"
- 10
- 11   Page 31, line 2:
- 12           Delete "sec. 33"
- 13           Insert "sec. 34"
- 14           Delete "sec. 37"
- 15           Insert "sec. 38"
- 16
- 17   Page 31, line 3:
- 18           Delete "sec. 39"
- 19           Insert "sec. 40"
- 20
- 21   Page 31, line 4:
- 22           Delete "sec. 52"
- 23           Insert "sec. 53"
- 24
- 25   Page 31, line 8:
- 26           Delete "sec. 52"
- 27           Insert "sec. 53"
- 28
- 29   Page 31, line 10:
- 30           Delete "sec. 52"
- 31           Insert "sec. 53"

1

2 Page 31, line 11:

3 Delete "sec. 52"

4 Insert "sec. 53"

5

6 Page 31, line 16:

7 Delete "sec. 52"

8 Insert "sec. 53"

9

10 Page 31, line 17:

11 Delete "sec. 23"

12 Insert "sec. 24"

13 Delete "secs. 26 and 28"

14 Insert "secs. 27 and 29"

15

16 Page 31, line 18:

17 Delete "sec. 33"

18 Insert "sec. 34"

19 Delete "sec. 37"

20 Insert "sec. 38"

21

22 Page 31, line 19:

23 Delete "sec. 45"

24 Insert "sec. 46"

25

26 Page 31, line 21:

27 Delete "sec. 52" in both places

28 Insert "sec. 53" in both places

29

30 Page 31, line 26:

31 Delete "sec. 42"

- 1           Insert "sec. 43"
- 2
- 3   Page 31, line 27:
- 4           Delete "sec. 50"
- 5           Insert "sec. 51"
- 6
- 7   Page 31, line 30:
- 8           Delete "sec. 50"
- 9           Insert "sec. 51"
- 10
- 11   Page 32, line 4:
- 12          Delete "sec. 50"
- 13          Insert "sec. 51"
- 14
- 15   Page 32, line 6:
- 16          Delete "sec. 50"
- 17          Insert "sec. 51"
- 18
- 19   Page 32, line 9:
- 20          Delete "sec. 50"
- 21          Insert "sec. 51"
- 22
- 23   Page 32, line 12:
- 24          Delete "sec. 50"
- 25          Insert "sec. 51"
- 26
- 27   Page 32, line 14:
- 28          Delete "sec. 50"
- 29          Insert "sec. 51"
- 30
- 31   Page 33, line 9:

1 Delete "Sections 22, 53, 61, and 62"

2 Insert "Sections 23, 54, 62, and 63"

3

4 Page 33, line 11:

5 Delete "Sections 32, 51, and 56"

6 Insert "Sections 33, 52, and 57"

7

8 Page 33, line 12:

9 Delete "Sections 23, 26, 28, 33, 37, 39, 45, 52, 57, and 58"

10 Insert "Sections 24, 27, 29, 34, 38, 40, 46, 53, 58, and 59"

11

12 Page 33, line 14:

13 Delete "secs. 63 - 65"

14 Insert "secs. 64 - 66"

AMENDMENT

7

Rep. Tuck

OFFERED IN THE HOUSE

TO: 2d CSHB 247( ), Draft Version "D"

1 Page 15, line 26:

2 Delete "\$75,000,000"

3 Insert "\$25,000,000"

4

5 Page 16, line 3:

6 Delete "\$75,000,000"

7 Insert "\$25,000,000"

8

9 Page 16, line 20:

10 Delete "\$75,000,000"

11 Insert "\$25,000,000"

12

13 Page 16, line 28:

14 Delete "\$75,000,000"

15 Insert "\$25,000,000"

AMENDMENT

8

Rep. Tuck

OFFERED IN THE HOUSE

TO: 2d CSHB 247( ), Draft Version "D"

1 Page 1, line 4, following "tax;":

2 Insert "relating to the minimum oil and gas production tax for certain oil and  
3 gas;"

4

5 Page 5, following line 31:

6 Insert a new bill section to read:

7 "\* Sec. 13. AS 43.55.011(f) is amended to read:

8 (f) The levy of tax under (e) of this section for

9 (1) oil and gas produced before January 1, 2017 [JANUARY 1,  
10 2022], from leases or properties that include land north of 68 degrees North latitude,  
11 other than gas subject to (o) of this section, may not be less than

12 (A) four percent of the gross value at the point of production  
13 when the average price per barrel for Alaska North Slope crude oil for sale on  
14 the United States West Coast during the calendar year for which the tax is due  
15 is more than \$25;

16 (B) three percent of the gross value at the point of production  
17 when the average price per barrel for Alaska North Slope crude oil for sale on  
18 the United States West Coast during the calendar year for which the tax is due  
19 is over \$20 but not over \$25;

20 (C) two percent of the gross value at the point of production  
21 when the average price per barrel for Alaska North Slope crude oil for sale on  
22 the United States West Coast during the calendar year for which the tax is due  
23 is over \$17.50 but not over \$20;

1 (D) one percent of the gross value at the point of production  
2 when the average price per barrel for Alaska North Slope crude oil for sale on  
3 the United States West Coast during the calendar year for which the tax is due  
4 is over \$15 but not over \$17.50; or

5 (E) zero percent of the gross value at the point of production  
6 when the average price per barrel for Alaska North Slope crude oil for sale on  
7 the United States West Coast during the calendar year for which the tax is due  
8 is \$15 or less; [AND]

9 (2) oil **and gas** produced on and after **January 1, 2017, and before**  
10 January 1, 2022, from leases or properties that include land north of 68 degrees North  
11 latitude, **other than gas subject to (o) of this section,** may not be less than **five**

12 [(A) FOUR] percent of the gross value at the point of  
13 production;

14 **(3) oil produced on and after January 1, 2022, from leases or**  
15 **properties that include land north of 68 degrees North latitude may not be less**  
16 **than five percent of the gross value at the point of production** [WHEN THE  
17 AVERAGE PRICE PER BARREL FOR ALASKA NORTH SLOPE CRUDE OIL  
18 FOR SALE ON THE UNITED STATES WEST COAST DURING THE  
19 CALENDAR YEAR FOR WHICH THE TAX IS DUE IS MORE THAN \$25;

20 (B) THREE PERCENT OF THE GROSS VALUE AT THE  
21 POINT OF PRODUCTION WHEN THE AVERAGE PRICE PER BARREL  
22 FOR ALASKA NORTH SLOPE CRUDE OIL FOR SALE ON THE UNITED  
23 STATES WEST COAST DURING THE CALENDAR YEAR FOR WHICH  
24 THE TAX IS DUE IS OVER \$20 BUT NOT OVER \$25;

25 (C) TWO PERCENT OF THE GROSS VALUE AT THE  
26 POINT OF PRODUCTION WHEN THE AVERAGE PRICE PER BARREL  
27 FOR ALASKA NORTH SLOPE CRUDE OIL FOR SALE ON THE UNITED  
28 STATES WEST COAST DURING THE CALENDAR YEAR FOR WHICH  
29 THE TAX IS DUE IS OVER \$17.50 BUT NOT OVER \$20;

30 (D) ONE PERCENT OF THE GROSS VALUE AT THE  
31 POINT OF PRODUCTION WHEN THE AVERAGE PRICE PER BARREL

1 FOR ALASKA NORTH SLOPE CRUDE OIL FOR SALE ON THE UNITED  
2 STATES WEST COAST DURING THE CALENDAR YEAR FOR WHICH  
3 THE TAX IS DUE IS OVER \$15 BUT NOT OVER \$17.50; OR

4 (E) ZERO PERCENT OF THE GROSS VALUE AT THE  
5 POINT OF PRODUCTION WHEN THE AVERAGE PRICE PER BARREL  
6 FOR ALASKA NORTH SLOPE CRUDE OIL FOR SALE ON THE UNITED  
7 STATES WEST COAST DURING THE CALENDAR YEAR FOR WHICH  
8 THE TAX IS DUE IS \$15 OR LESS]."

9  
10 Renumber the following bill sections accordingly.

11  
12 Page 7, following line 4:

13 Insert a new bill section to read:

14 "\* **Sec. 16.** AS 43.55.020(a) is amended to read:

15 (a) For a calendar year, a producer subject to tax under AS 43.55.011 shall pay  
16 the tax as follows:

17 (1) for oil and gas produced before January 1, 2014, an installment  
18 payment of the estimated tax levied by AS 43.55.011(e), net of any tax credits applied  
19 as allowed by law, is due for each month of the calendar year on the last day of the  
20 following month; except as otherwise provided under (2) of this subsection, the  
21 amount of the installment payment is the sum of the following amounts, less 1/12 of  
22 the tax credits that are allowed by law to be applied against the tax levied by  
23 AS 43.55.011(e) for the calendar year, but the amount of the installment payment may  
24 not be less than zero:

25 (A) for oil and gas not subject to AS 43.55.011(o) or (p)  
26 produced from leases or properties in the state outside the Cook Inlet  
27 sedimentary basin, other than leases or properties subject to AS 43.55.011(f),  
28 the greater of

29 (i) zero; or

30 (ii) the sum of 25 percent and the tax rate calculated for  
31 the month under AS 43.55.011(g) multiplied by the remainder obtained

1 by subtracting 1/12 of the producer's adjusted lease expenditures for the  
2 calendar year of production under AS 43.55.165 and 43.55.170 that are  
3 deductible for the oil and gas under AS 43.55.160 from the gross value  
4 at the point of production of the oil and gas produced from the leases or  
5 properties during the month for which the installment payment is  
6 calculated;

7 (B) for oil and gas produced from leases or properties subject  
8 to AS 43.55.011(f), the greatest of

9 (i) zero;

10 (ii) zero percent, one percent, two percent, three  
11 percent, or four percent, as applicable, of the gross value at the point of  
12 production of the oil and gas produced from the leases or properties  
13 during the month for which the installment payment is calculated; or

14 (iii) the sum of 25 percent and the tax rate calculated for  
15 the month under AS 43.55.011(g) multiplied by the remainder obtained  
16 by subtracting 1/12 of the producer's adjusted lease expenditures for the  
17 calendar year of production under AS 43.55.165 and 43.55.170 that are  
18 deductible for the oil and gas under AS 43.55.160 from the gross value  
19 at the point of production of the oil and gas produced from those leases  
20 or properties during the month for which the installment payment is  
21 calculated;

22 (C) for oil or gas subject to AS 43.55.011(j), (k), or (o), for  
23 each lease or property, the greater of

24 (i) zero; or

25 (ii) the sum of 25 percent and the tax rate calculated for  
26 the month under AS 43.55.011(g) multiplied by the remainder obtained  
27 by subtracting 1/12 of the producer's adjusted lease expenditures for the  
28 calendar year of production under AS 43.55.165 and 43.55.170 that are  
29 deductible under AS 43.55.160 for the oil or gas, respectively,  
30 produced from the lease or property from the gross value at the point of  
31 production of the oil or gas, respectively, produced from the lease or

1 property during the month for which the installment payment is  
2 calculated;

3 (D) for oil and gas subject to AS 43.55.011(p), the lesser of

4 (i) the sum of 25 percent and the tax rate calculated for  
5 the month under AS 43.55.011(g) multiplied by the remainder obtained  
6 by subtracting 1/12 of the producer's adjusted lease expenditures for the  
7 calendar year of production under AS 43.55.165 and 43.55.170 that are  
8 deductible for the oil and gas under AS 43.55.160 from the gross value  
9 at the point of production of the oil and gas produced from the leases or  
10 properties during the month for which the installment payment is  
11 calculated, but not less than zero; or

12 (ii) four percent of the gross value at the point of  
13 production of the oil and gas produced from the leases or properties  
14 during the month, but not less than zero;

15 (2) an amount calculated under (1)(C) of this subsection for oil or gas  
16 subject to AS 43.55.011(j), (k), or (o) may not exceed the product obtained by  
17 carrying out the calculation set out in AS 43.55.011(j)(1) or (2) or 43.55.011(o), as  
18 applicable, for gas or set out in AS 43.55.011(k)(1) or (2), as applicable, for oil, but  
19 substituting in AS 43.55.011(j)(1)(A) or (2)(A) or 43.55.011(o), as applicable, the  
20 amount of taxable gas produced during the month for the amount of taxable gas  
21 produced during the calendar year and substituting in as 43.55.011(k)(1)(A) or (2)(A),  
22 as applicable, the amount of taxable oil produced during the month for the amount of  
23 taxable oil produced during the calendar year;

24 (3) an installment payment of the estimated tax levied by  
25 AS 43.55.011(i) for each lease or property is due for each month of the calendar year  
26 on the last day of the following month; the amount of the installment payment is the  
27 sum of

28 (A) the applicable tax rate for oil provided under  
29 AS 43.55.011(i), multiplied by the gross value at the point of production of the  
30 oil taxable under AS 43.55.011(i) and produced from the lease or property  
31 during the month; and

1 (B) the applicable tax rate for gas provided under  
2 AS 43.55.011(i), multiplied by the gross value at the point of production of the  
3 gas taxable under AS 43.55.011(i) and produced from the lease or property  
4 during the month;

5 (4) any amount of tax levied by AS 43.55.011, net of any credits  
6 applied as allowed by law, that exceeds the total of the amounts due as installment  
7 payments of estimated tax is due on March 31 of the year following the calendar year  
8 of production;

9 (5) for oil and gas produced on and after January 1, 2014, and before  
10 January 1, 2022, an installment payment of the estimated tax levied by  
11 AS 43.55.011(e), net of any tax credits applied as allowed by law, is due for each  
12 month of the calendar year on the last day of the following month; except as otherwise  
13 provided under (6) of this subsection, the amount of the installment payment is the  
14 sum of the following amounts, less 1/12 of the tax credits that are allowed by law to be  
15 applied against the tax levied by AS 43.55.011(e) for the calendar year, but the amount  
16 of the installment payment may not be less than zero:

17 (A) for oil and gas not subject to AS 43.55.011(o) or (p)  
18 produced from leases or properties in the state outside the Cook Inlet  
19 sedimentary basin, other than leases or properties subject to AS 43.55.011(f),  
20 the greater of

21 (i) zero; or

22 (ii) 35 percent multiplied by the remainder obtained by  
23 subtracting 1/12 of the producer's adjusted lease expenditures for the  
24 calendar year of production under AS 43.55.165 and 43.55.170 that are  
25 deductible for the oil and gas under AS 43.55.160 from the gross value  
26 at the point of production of the oil and gas produced from the leases or  
27 properties during the month for which the installment payment is  
28 calculated;

29 (B) for oil and gas produced from leases or properties subject  
30 to AS 43.55.011(f), the greatest of

31 (i) zero;

1 (ii) zero percent, one percent, two percent, three  
2 percent, [OR] four percent, **or five percent**, as applicable, of the gross  
3 value at the point of production of the oil and gas produced from the  
4 leases or properties during the month for which the installment  
5 payment is calculated; or

6 (iii) 35 percent multiplied by the remainder obtained by  
7 subtracting 1/12 of the producer's adjusted lease expenditures for the  
8 calendar year of production under AS 43.55.165 and 43.55.170 that are  
9 deductible for the oil and gas under AS 43.55.160 from the gross value  
10 at the point of production of the oil and gas produced from those leases  
11 or properties during the month for which the installment payment is  
12 calculated, except that, for the purposes of this calculation, a reduction  
13 from the gross value at the point of production may apply for oil and  
14 gas subject to AS 43.55.160(f) or (g);

15 (C) for oil or gas subject to AS 43.55.011(j), (k), or (o), for  
16 each lease or property, the greater of

17 (i) zero; or

18 (ii) 35 percent multiplied by the remainder obtained by  
19 subtracting 1/12 of the producer's adjusted lease expenditures for the  
20 calendar year of production under AS 43.55.165 and 43.55.170 that are  
21 deductible under AS 43.55.160 for the oil or gas, respectively,  
22 produced from the lease or property from the gross value at the point of  
23 production of the oil or gas, respectively, produced from the lease or  
24 property during the month for which the installment payment is  
25 calculated;

26 (D) for oil and gas subject to AS 43.55.011(p), the lesser of

27 (i) 35 percent multiplied by the remainder obtained by  
28 subtracting 1/12 of the producer's adjusted lease expenditures for the  
29 calendar year of production under AS 43.55.165 and 43.55.170 that are  
30 deductible for the oil and gas under AS 43.55.160 from the gross value  
31 at the point of production of the oil and gas produced from the leases or

1 properties during the month for which the installment payment is  
2 calculated, but not less than zero; or

3 (ii) four percent of the gross value at the point of  
4 production of the oil and gas produced from the leases or properties  
5 during the month, but not less than zero;

6 (6) an amount calculated under (5)(C) of this subsection for oil or gas  
7 subject to AS 43.55.011(j), (k), or (o) may not exceed the product obtained by  
8 carrying out the calculation set out in AS 43.55.011(j)(1) or (2) or 43.55.011(o), as  
9 applicable, for gas or set out in AS 43.55.011(k)(1) or (2), as applicable, for oil, but  
10 substituting in AS 43.55.011(j)(1)(A) or (2)(A) or 43.55.011(o), as applicable, the  
11 amount of taxable gas produced during the month for the amount of taxable gas  
12 produced during the calendar year and substituting in AS 43.55.011(k)(1)(A) or  
13 (2)(A), as applicable, the amount of taxable oil produced during the month for the  
14 amount of taxable oil produced during the calendar year;

15 (7) for oil and gas produced on or after January 1, 2022, an installment  
16 payment of the estimated tax levied by AS 43.55.011(e), net of any tax credits applied  
17 as allowed by law, is due for each month of the calendar year on the last day of the  
18 following month; the amount of the installment payment is the sum of the following  
19 amounts, less 1/12 of the tax credits that are allowed by law to be applied against the  
20 tax levied by AS 43.55.011(e) for the calendar year, but the amount of the installment  
21 payment may not be less than zero:

22 (A) for oil produced from leases or properties that include land  
23 north of 68 degrees North latitude, the greatest of

24 (i) zero;

25 (ii) **five** [ZERO] percent [, ONE PERCENT, TWO  
26 PERCENT, THREE PERCENT, OR FOUR PERCENT, AS  
27 APPLICABLE,] of the gross value at the point of production of the oil  
28 produced from the leases or properties during the month for which the  
29 installment payment is calculated; or

30 (iii) 35 percent multiplied by the remainder obtained by  
31 subtracting 1/12 of the producer's adjusted lease expenditures for the

1           calendar year of production under AS 43.55.165 and 43.55.170 that are  
2           deductible for the oil under AS 43.55.160(h)(1) from the gross value at  
3           the point of production of the oil produced from those leases or  
4           properties during the month for which the installment payment is  
5           calculated, except that, for the purposes of this calculation, a reduction  
6           from the gross value at the point of production may apply for oil  
7           subject to AS 43.55.160(f) or 43.55.160(f) and (g);

8           (B) for oil produced before or during the last calendar year  
9           under AS 43.55.024(b) for which the producer could take a tax credit under  
10          AS 43.55.024(a), from leases or properties in the state outside the Cook Inlet  
11          sedimentary basin, no part of which is north of 68 degrees North latitude, other  
12          than leases or properties subject to AS 43.55.011(p), the greater of

13                   (i) zero; or

14                   (ii) 35 percent multiplied by the remainder obtained by  
15                   subtracting 1/12 of the producer's adjusted lease expenditures for the  
16                   calendar year of production under AS 43.55.165 and 43.55.170 that are  
17                   deductible for the oil under AS 43.55.160(h)(2) from the gross value at  
18                   the point of production of the oil produced from the leases or properties  
19                   during the month for which the installment payment is calculated;

20          (C) for oil and gas produced from leases or properties subject  
21          to AS 43.55.011(p), except as otherwise provided under (8) of this subsection,  
22          the sum of

23                   (i) 35 percent multiplied by the remainder obtained by  
24                   subtracting 1/12 of the producer's adjusted lease expenditures for the  
25                   calendar year of production under AS 43.55.165 and 43.55.170 that are  
26                   deductible for the oil under AS 43.55.160(h)(3) from the gross value at  
27                   the point of production of the oil produced from the leases or properties  
28                   during the month for which the installment payment is calculated, but  
29                   not less than zero; and

30                   (ii) 13 percent of the gross value at the point of  
31                   production of the gas produced from the leases or properties during the

1 month, but not less than zero;

2 (D) for oil produced from leases or properties in the state, no  
3 part of which is north of 68 degrees North latitude, other than leases or  
4 properties subject to (B) or (C) of this paragraph, the greater of

5 (i) zero; or

6 (ii) 35 percent multiplied by the remainder obtained by  
7 subtracting 1/12 of the producer's adjusted lease expenditures for the  
8 calendar year of production under AS 43.55.165 and 43.55.170 that are  
9 deductible for the oil under AS 43.55.160(h)(4) from the gross value at  
10 the point of production of the oil produced from the leases or properties  
11 during the month for which the installment payment is calculated;

12 (E) for gas produced from each lease or property in the state,  
13 other than a lease or property subject to AS 43.55.011(p), 13 percent of the  
14 gross value at the point of production of the gas produced from the lease or  
15 property during the month for which the installment payment is calculated, but  
16 not less than zero;

17 (8) an amount calculated under (7)(C) of this subsection may not  
18 exceed four percent of the gross value at the point of production of the oil and gas  
19 produced from leases or properties subject to AS 43.55.011(p) during the month for  
20 which the installment payment is calculated;

21 (9) for purposes of the calculation under (1)(B)(ii), (5)(B)(ii), and  
22 (7)(A)(ii) of this subsection, the applicable percentage of the gross value at the point  
23 of production is determined under **AS 43.55.011(f)** [AS 43.55.011(f)(1) OR (2)] but  
24 substituting the phrase "month for which the installment payment is calculated" in  
25 [AS 43.55.011(f)(1) AND (2)] for the phrase "calendar year for which the tax is due."  
26

27 Renumber the following bill sections accordingly.

28  
29 Page 13, line 12:

30 Delete "sec. 22"

31 Insert "sec. 24"

1

2 Page 15, line 15:

3 Delete "sec. 25"

4 Insert "sec. 27"

5

6 Page 16, line 14:

7 Delete "sec. 27"

8 Insert "sec. 29"

9

10 Page 18, line 17:

11 Delete "sec. 31"

12 Insert "sec. 33"

13

14 Page 18, line 30:

15 Delete "secs. 31 and 32"

16 Insert "secs. 33 and 34"

17

18 Page 22, line 19:

19 Delete "sec. 38"

20 Insert "sec. 40"

21

22 Page 29, line 23:

23 Delete "sec. 27"

24 Insert "sec. 29"

25

26 Page 29, line 24:

27 Delete "sec. 30"

28 Insert "sec. 32"

29

30 Page 29, line 26:

31 Delete "sec. 29"

1           Insert "sec. 31"

2

3   Page 29, line 27:

4           Delete "secs. 27, 29, and 30"

5           Insert "secs. 29, 31, and 32"

6

7   Page 29, line 28:

8           Delete "sec. 42"

9           Insert "sec. 44"

10

11   Page 30, line 2:

12           Delete "sec. 50"

13           Insert "sec. 52"

14

15   Page 30, line 3:

16           Delete "sec. 16"

17           Insert "sec. 18"

18           Delete "sec. 19"

19           Insert "sec. 21"

20

21   Page 30, line 4:

22           Delete "sec. 31"

23           Insert "sec. 33"

24           Delete "secs. 34 and 35"

25           Insert "secs. 36 and 37"

26

27   Page 30, line 5:

28           Delete "sec. 36"

29           Insert "sec. 38"

30           Delete "sec. 43"

31           Insert "sec. 45"

1

2 Page 30, line 6:

3 Delete "sec. 44"

4 Insert "sec. 46"

5

6 Page 30, line 7:

7 Delete "sec. 50"

8 Insert "sec. 52"

9

10 Page 30, lines 10 - 11:

11 Delete "sec. 50"

12 Insert "sec. 52"

13

14 Page 30, line 14:

15 Delete "sec. 50"

16 Insert "sec. 52"

17

18 Page 30, line 15:

19 Delete "sec. 50"

20 Insert "sec. 52"

21

22 Page 30, line 19:

23 Delete "sec. 51"

24 Insert "sec. 53"

25

26 Page 30, lines 19 - 20:

27 Delete "sec. 32"

28 Insert "sec. 34"

29

30 Page 30, line 21:

31 Delete "sec. 51"

1           Insert "sec. 53"

2

3   Page 30, line 24:

4           Delete "sec. 51"

5           Insert "sec. 53"

6

7   Page 30, line 26:

8           Delete "sec. 51"

9           Insert "sec. 53"

10

11   Page 30, line 27:

12           Delete "sec. 51"

13           Insert "sec. 53"

14

15   Page 31, line 1:

16           Delete "sec. 52"

17           Insert "sec. 54"

18

19   Page 31, line 2:

20           Delete "sec. 33"

21           Insert "sec. 35"

22           Delete "sec. 37"

23           Insert "sec. 39"

24

25   Page 31, line 3:

26           Delete "sec. 39"

27           Insert "sec. 41"

28

29   Page 31, line 4:

30           Delete "sec. 52"

31           Insert "sec. 54"

1

2 Page 31, line 8:

3 Delete "sec. 52"

4 Insert "sec. 54"

5

6 Page 31, line 10:

7 Delete "sec. 52"

8 Insert "sec. 54"

9

10 Page 31, line 11:

11 Delete "sec. 52"

12 Insert "sec. 54"

13

14 Page 31, line 16:

15 Delete "sec. 52"

16 Insert "sec. 54"

17

18 Page 31, line 17:

19 Delete "sec. 23"

20 Insert "sec. 25"

21 Delete "secs. 26 and 28"

22 Insert "secs. 28 and 30"

23

24 Page 31, line 18:

25 Delete "sec. 33"

26 Insert "sec. 35"

27 Delete "sec. 37"

28 Insert "sec. 39"

29

30 Page 31, line 19:

31 Delete "sec. 45"

1           Insert "sec. 47"

2

3   Page 31, line 21:

4           Delete "sec. 52" in both places.

5           Insert "sec. 54" in both places.

6

7   Page 31, line 26:

8           Delete "sec. 42"

9           Insert "sec. 44"

10

11   Page 31, line 27:

12           Delete "sec. 50"

13           Insert "sec. 52"

14

15   Page 31, line 30:

16           Delete "sec. 50"

17           Insert "sec. 52"

18

19   Page 32, line 4:

20           Delete "sec. 50"

21           Insert "sec. 52"

22

23   Page 32, line 6:

24           Delete "sec. 50"

25           Insert "sec. 52"

26

27   Page 32, line 9:

28           Delete "sec. 50"

29           Insert "sec. 52"

30

31   Page 32, line 12:

1 Delete "sec. 50"

2 Insert "sec. 52"

3

4 Page 32, line 14:

5 Delete "sec. 50"

6 Insert "sec. 52"

7

8 Page 33, line 9:

9 Delete "Sections 22, 53, 61, and 62"

10 Insert "Sections 24, 55, 63, and 64"

11

12 Page 33, line 11:

13 Delete "Sections 32, 51, and 56"

14 Insert "Sections 34, 53, and 58"

15

16 Page 33, line 12:

17 Delete "Sections 23, 26, 28, 33, 37, 39, 45, 52, 57, and 58"

18 Insert "Sections 25, 28, 30, 35, 39, 41, 47, 54, 59, and 60"

19

20 Page 33, line 14:

21 Delete "secs. 63 - 65"

22 Insert "secs. 65 - 67"

AMENDMENT

9

Rep. Tuck

OFFERED IN THE HOUSE

TO: 2d CSHB 247( ), Draft Version "D"

1 Page 1, line 4, following "tax;":

2 Insert "**relating to the minimum oil and gas production tax for certain oil and**  
3 **gas;**"

4

5 Page 5, following line 31:

6 Insert a new bill section to read:

7 "**\* Sec. 13.** AS 43.55.011(f) is amended to read:

8 (f) The levy of tax under (e) of this section for

9 (1) oil and gas produced before January 1, 2017 [JANUARY 1,  
10 2022], from leases or properties that include land north of 68 degrees North latitude,  
11 other than gas subject to (o) of this section, may not be less than

12 (A) four percent of the gross value at the point of production  
13 when the average price per barrel for Alaska North Slope crude oil for sale on  
14 the United States West Coast during the calendar year for which the tax is due  
15 is more than \$25;

16 (B) three percent of the gross value at the point of production  
17 when the average price per barrel for Alaska North Slope crude oil for sale on  
18 the United States West Coast during the calendar year for which the tax is due  
19 is over \$20 but not over \$25;

20 (C) two percent of the gross value at the point of production  
21 when the average price per barrel for Alaska North Slope crude oil for sale on  
22 the United States West Coast during the calendar year for which the tax is due  
23 is over \$17.50 but not over \$20;

1 (D) one percent of the gross value at the point of production  
2 when the average price per barrel for Alaska North Slope crude oil for sale on  
3 the United States West Coast during the calendar year for which the tax is due  
4 is over \$15 but not over \$17.50; or

5 (E) zero percent of the gross value at the point of production  
6 when the average price per barrel for Alaska North Slope crude oil for sale on  
7 the United States West Coast during the calendar year for which the tax is due  
8 is \$15 or less; and

9 (2) oil **and gas** produced on and after **January 1, 2017, and before**  
10 **January 1, 2022**, from leases or properties that include land north of 68 degrees North  
11 latitude, may not be less than **the sum of the installment payments under**  
12 **AS 43.55.020, or**

13 (A) four percent of the gross value at the point of production  
14 when the average price per barrel for Alaska North Slope crude oil for sale on  
15 the United States West Coast during the calendar year for which the tax is due  
16 is more than \$25;

17 (B) three percent of the gross value at the point of production  
18 when the average price per barrel for Alaska North Slope crude oil for sale on  
19 the United States West Coast during the calendar year for which the tax is due  
20 is over \$20 but not over \$25;

21 (C) two percent of the gross value at the point of production  
22 when the average price per barrel for Alaska North Slope crude oil for sale on  
23 the United States West Coast during the calendar year for which the tax is due  
24 is over \$17.50 but not over \$20;

25 (D) one percent of the gross value at the point of production  
26 when the average price per barrel for Alaska North Slope crude oil for sale on  
27 the United States West Coast during the calendar year for which the tax is due  
28 is over \$15 but not over \$17.50; or

29 (E) zero percent of the gross value at the point of production  
30 when the average price per barrel for Alaska North Slope crude oil for sale on  
31 the United States West Coast during the calendar year for which the tax is due

1 is \$15 or less;

2 (3) oil produced on and after January 1, 2022, from leases or  
 3 properties that include land north of 68 degrees North latitude, may not be less  
 4 than the sum of the installment payments under AS 43.55.020, or

5 (A) four percent of the gross value at the point of  
 6 production when the average price per barrel for Alaska North Slope  
 7 crude oil for sale on the United States West Coast during the calendar  
 8 year for which the tax is due is more than \$25;

9 (B) three percent of the gross value at the point of  
 10 production when the average price per barrel for Alaska North Slope  
 11 crude oil for sale on the United States West Coast during the calendar  
 12 year for which the tax is due is over \$20 but not over \$25;

13 (C) two percent of the gross value at the point of production  
 14 when the average price per barrel for Alaska North Slope crude oil for  
 15 sale on the United States West Coast during the calendar year for which  
 16 the tax is due is over \$17.50 but not over \$20;

17 (D) one percent of the gross value at the point of production  
 18 when the average price per barrel for Alaska North Slope crude oil for  
 19 sale on the United States West Coast during the calendar year for which  
 20 the tax is due is over \$15 but not over \$17.50; or

21 (E) zero percent of the gross value at the point of production  
 22 when the average price per barrel for Alaska North Slope crude oil for  
 23 sale on the United States West Coast during the calendar year for which  
 24 the tax is due is \$15 or less."

25  
 26 Renumber the following bill sections accordingly.

27  
 28 Page 7, following line 4:

29 Insert new bill sections to read:

30 **"\* Sec. 16.** AS 43.55.019(e) is amended to read:

31 (e) The credit under this section may not reduce a person's tax liability **for the**

1 calendar year under AS 43.55.011(e) to below the amount calculated under  
2 AS 43.55.011(f) [ZERO FOR ANY TAX YEAR]. An unused credit or portion of a  
3 credit not used under this section for a tax year may not be sold, traded, transferred, or  
4 applied in a subsequent tax year.

5 \* **Sec. 17.** AS 43.55.020(a) is amended to read:

6 (a) For a calendar year, a producer subject to tax under AS 43.55.011 shall pay  
7 the tax as follows:

8 (1) for oil and gas produced before January 1, 2014, an installment  
9 payment of the estimated tax levied by AS 43.55.011(e), net of any tax credits applied  
10 as allowed by law, is due for each month of the calendar year on the last day of the  
11 following month; except as otherwise provided under (2) of this subsection, the  
12 amount of the installment payment is the sum of the following amounts, less 1/12 of  
13 the tax credits that are allowed by law to be applied against the tax levied by  
14 AS 43.55.011(e) for the calendar year, but the amount of the installment payment may  
15 not be less than zero:

16 (A) for oil and gas not subject to AS 43.55.011(o) or (p)  
17 produced from leases or properties in the state outside the Cook Inlet  
18 sedimentary basin, other than leases or properties subject to AS 43.55.011(f),  
19 the greater of

20 (i) zero; or

21 (ii) the sum of 25 percent and the tax rate calculated for  
22 the month under AS 43.55.011(g) multiplied by the remainder obtained  
23 by subtracting 1/12 of the producer's adjusted lease expenditures for the  
24 calendar year of production under AS 43.55.165 and 43.55.170 that are  
25 deductible for the oil and gas under AS 43.55.160 from the gross value  
26 at the point of production of the oil and gas produced from the leases or  
27 properties during the month for which the installment payment is  
28 calculated;

29 (B) for oil and gas produced from leases or properties subject  
30 to AS 43.55.011(f), the greatest of

31 (i) zero;

1 (ii) zero percent, one percent, two percent, three  
2 percent, or four percent, as applicable, of the gross value at the point of  
3 production of the oil and gas produced from the leases or properties  
4 during the month for which the installment payment is calculated; or

5 (iii) the sum of 25 percent and the tax rate calculated for  
6 the month under AS 43.55.011(g) multiplied by the remainder obtained  
7 by subtracting 1/12 of the producer's adjusted lease expenditures for the  
8 calendar year of production under AS 43.55.165 and 43.55.170 that are  
9 deductible for the oil and gas under AS 43.55.160 from the gross value  
10 at the point of production of the oil and gas produced from those leases  
11 or properties during the month for which the installment payment is  
12 calculated;

13 (C) for oil or gas subject to AS 43.55.011(j), (k), or (o), for  
14 each lease or property, the greater of

15 (i) zero; or

16 (ii) the sum of 25 percent and the tax rate calculated for  
17 the month under AS 43.55.011(g) multiplied by the remainder obtained  
18 by subtracting 1/12 of the producer's adjusted lease expenditures for the  
19 calendar year of production under AS 43.55.165 and 43.55.170 that are  
20 deductible under AS 43.55.160 for the oil or gas, respectively,  
21 produced from the lease or property from the gross value at the point of  
22 production of the oil or gas, respectively, produced from the lease or  
23 property during the month for which the installment payment is  
24 calculated;

25 (D) for oil and gas subject to AS 43.55.011(p), the lesser of

26 (i) the sum of 25 percent and the tax rate calculated for  
27 the month under AS 43.55.011(g) multiplied by the remainder obtained  
28 by subtracting 1/12 of the producer's adjusted lease expenditures for the  
29 calendar year of production under AS 43.55.165 and 43.55.170 that are  
30 deductible for the oil and gas under AS 43.55.160 from the gross value  
31 at the point of production of the oil and gas produced from the leases or

1 properties during the month for which the installment payment is  
2 calculated, but not less than zero; or

3 (ii) four percent of the gross value at the point of  
4 production of the oil and gas produced from the leases or properties  
5 during the month, but not less than zero;

6 (2) an amount calculated under (1)(C) of this subsection for oil or gas  
7 subject to AS 43.55.011(j), (k), or (o) may not exceed the product obtained by  
8 carrying out the calculation set out in AS 43.55.011(j)(1) or (2) or 43.55.011(o), as  
9 applicable, for gas or set out in AS 43.55.011(k)(1) or (2), as applicable, for oil, but  
10 substituting in AS 43.55.011(j)(1)(A) or (2)(A) or 43.55.011(o), as applicable, the  
11 amount of taxable gas produced during the month for the amount of taxable gas  
12 produced during the calendar year and substituting in as 43.55.011(k)(1)(A) or (2)(A),  
13 as applicable, the amount of taxable oil produced during the month for the amount of  
14 taxable oil produced during the calendar year;

15 (3) an installment payment of the estimated tax levied by  
16 AS 43.55.011(i) for each lease or property is due for each month of the calendar year  
17 on the last day of the following month; the amount of the installment payment is the  
18 sum of

19 (A) the applicable tax rate for oil provided under  
20 AS 43.55.011(i), multiplied by the gross value at the point of production of the  
21 oil taxable under AS 43.55.011(i) and produced from the lease or property  
22 during the month; and

23 (B) the applicable tax rate for gas provided under  
24 AS 43.55.011(i), multiplied by the gross value at the point of production of the  
25 gas taxable under AS 43.55.011(i) and produced from the lease or property  
26 during the month;

27 (4) any amount of tax levied by AS 43.55.011, net of any credits  
28 applied as allowed by law, that exceeds the total of the amounts due as installment  
29 payments of estimated tax is due on March 31 of the year following the calendar year  
30 of production;

31 (5) for oil and gas produced on and after January 1, 2014, and before

1 January 1, 2022, an installment payment of the estimated tax levied by  
2 AS 43.55.011(e), net of any tax credits applied as allowed by law, is due for each  
3 month of the calendar year on the last day of the following month; except as otherwise  
4 provided under (6) **and (10)** of this subsection, the amount of the installment payment  
5 is the sum of the following amounts, less 1/12 of the tax credits that are allowed by  
6 law to be applied against the tax levied by AS 43.55.011(e) for the calendar year, but  
7 the amount of the installment payment may not be less than zero:

8 (A) for oil and gas not subject to AS 43.55.011(o) or (p)  
9 produced from leases or properties in the state outside the Cook Inlet  
10 sedimentary basin, other than leases or properties subject to AS 43.55.011(f),  
11 the greater of

12 (i) zero; or

13 (ii) 35 percent multiplied by the remainder obtained by  
14 subtracting 1/12 of the producer's adjusted lease expenditures for the  
15 calendar year of production under AS 43.55.165 and 43.55.170 that are  
16 deductible for the oil and gas under AS 43.55.160 from the gross value  
17 at the point of production of the oil and gas produced from the leases or  
18 properties during the month for which the installment payment is  
19 calculated;

20 (B) for oil and gas produced from leases or properties subject  
21 to AS 43.55.011(f), the greatest of

22 (i) zero;

23 (ii) zero percent, one percent, two percent, three  
24 percent, or four percent, as applicable, of the gross value at the point of  
25 production of the oil and gas produced from the leases or properties  
26 during the month for which the installment payment is calculated; or

27 (iii) 35 percent multiplied by the remainder obtained by  
28 subtracting 1/12 of the producer's adjusted lease expenditures for the  
29 calendar year of production under AS 43.55.165 and 43.55.170 that are  
30 deductible for the oil and gas under AS 43.55.160 from the gross value  
31 at the point of production of the oil and gas produced from those leases

1 or properties during the month for which the installment payment is  
2 calculated, except that, for the purposes of this calculation, a reduction  
3 from the gross value at the point of production may apply for oil and  
4 gas subject to AS 43.55.160(f) or (g);

5 (C) for oil or gas subject to AS 43.55.011(j), (k), or (o), for  
6 each lease or property, the greater of

7 (i) zero; or

8 (ii) 35 percent multiplied by the remainder obtained by  
9 subtracting 1/12 of the producer's adjusted lease expenditures for the  
10 calendar year of production under AS 43.55.165 and 43.55.170 that are  
11 deductible under AS 43.55.160 for the oil or gas, respectively,  
12 produced from the lease or property from the gross value at the point of  
13 production of the oil or gas, respectively, produced from the lease or  
14 property during the month for which the installment payment is  
15 calculated;

16 (D) for oil and gas subject to AS 43.55.011(p), the lesser of

17 (i) 35 percent multiplied by the remainder obtained by  
18 subtracting 1/12 of the producer's adjusted lease expenditures for the  
19 calendar year of production under AS 43.55.165 and 43.55.170 that are  
20 deductible for the oil and gas under AS 43.55.160 from the gross value  
21 at the point of production of the oil and gas produced from the leases or  
22 properties during the month for which the installment payment is  
23 calculated, but not less than zero; or

24 (ii) four percent of the gross value at the point of  
25 production of the oil and gas produced from the leases or properties  
26 during the month, but not less than zero;

27 (6) an amount calculated under (5)(C) of this subsection for oil or gas  
28 subject to AS 43.55.011(j), (k), or (o) may not exceed the product obtained by  
29 carrying out the calculation set out in AS 43.55.011(j)(1) or (2) or 43.55.011(o), as  
30 applicable, for gas or set out in AS 43.55.011(k)(1) or (2), as applicable, for oil, but  
31 substituting in AS 43.55.011(j)(1)(A) or (2)(A) or 43.55.011(o), as applicable, the

1 amount of taxable gas produced during the month for the amount of taxable gas  
2 produced during the calendar year and substituting in AS 43.55.011(k)(1)(A) or  
3 (2)(A), as applicable, the amount of taxable oil produced during the month for the  
4 amount of taxable oil produced during the calendar year;

5 (7) for oil and gas produced on or after January 1, 2022, an installment  
6 payment of the estimated tax levied by AS 43.55.011(e), net of any tax credits applied  
7 as allowed by law, is due for each month of the calendar year on the last day of the  
8 following month; **except as provided in (10) of this subsection**, the amount of the  
9 installment payment is the sum of the following amounts, less 1/12 of the tax credits  
10 that are allowed by law to be applied against the tax levied by AS 43.55.011(e) for the  
11 calendar year, but the amount of the installment payment may not be less than zero:

12 (A) for oil produced from leases or properties that include land  
13 north of 68 degrees North latitude, the greatest of

14 (i) zero;

15 (ii) zero percent, one percent, two percent, three  
16 percent, or four percent, as applicable, of the gross value at the point of  
17 production of the oil produced from the leases or properties during the  
18 month for which the installment payment is calculated; or

19 (iii) 35 percent multiplied by the remainder obtained by  
20 subtracting 1/12 of the producer's adjusted lease expenditures for the  
21 calendar year of production under AS 43.55.165 and 43.55.170 that are  
22 deductible for the oil under AS 43.55.160(h)(1) from the gross value at  
23 the point of production of the oil produced from those leases or  
24 properties during the month for which the installment payment is  
25 calculated, except that, for the purposes of this calculation, a reduction  
26 from the gross value at the point of production may apply for oil  
27 subject to AS 43.55.160(f) or 43.55.160(f) and (g);

28 (B) for oil produced before or during the last calendar year  
29 under AS 43.55.024(b) for which the producer could take a tax credit under  
30 AS 43.55.024(a), from leases or properties in the state outside the Cook Inlet  
31 sedimentary basin, no part of which is north of 68 degrees North latitude, other

1 than leases or properties subject to AS 43.55.011(p), the greater of

2 (i) zero; or

3 (ii) 35 percent multiplied by the remainder obtained by  
4 subtracting 1/12 of the producer's adjusted lease expenditures for the  
5 calendar year of production under AS 43.55.165 and 43.55.170 that are  
6 deductible for the oil under AS 43.55.160(h)(2) from the gross value at  
7 the point of production of the oil produced from the leases or properties  
8 during the month for which the installment payment is calculated;

9 (C) for oil and gas produced from leases or properties subject  
10 to AS 43.55.011(p), except as otherwise provided under (8) of this subsection,  
11 the sum of

12 (i) 35 percent multiplied by the remainder obtained by  
13 subtracting 1/12 of the producer's adjusted lease expenditures for the  
14 calendar year of production under AS 43.55.165 and 43.55.170 that are  
15 deductible for the oil under AS 43.55.160(h)(3) from the gross value at  
16 the point of production of the oil produced from the leases or properties  
17 during the month for which the installment payment is calculated, but  
18 not less than zero; and

19 (ii) 13 percent of the gross value at the point of  
20 production of the gas produced from the leases or properties during the  
21 month, but not less than zero;

22 (D) for oil produced from leases or properties in the state, no  
23 part of which is north of 68 degrees North latitude, other than leases or  
24 properties subject to (B) or (C) of this paragraph, the greater of

25 (i) zero; or

26 (ii) 35 percent multiplied by the remainder obtained by  
27 subtracting 1/12 of the producer's adjusted lease expenditures for the  
28 calendar year of production under AS 43.55.165 and 43.55.170 that are  
29 deductible for the oil under AS 43.55.160(h)(4) from the gross value at  
30 the point of production of the oil produced from the leases or properties  
31 during the month for which the installment payment is calculated;

1 (E) for gas produced from each lease or property in the state,  
 2 other than a lease or property subject to AS 43.55.011(p), 13 percent of the  
 3 gross value at the point of production of the gas produced from the lease or  
 4 property during the month for which the installment payment is calculated, but  
 5 not less than zero;

6 (8) an amount calculated under (7)(C) of this subsection may not  
 7 exceed four percent of the gross value at the point of production of the oil and gas  
 8 produced from leases or properties subject to AS 43.55.011(p) during the month for  
 9 which the installment payment is calculated;

10 (9) for purposes of the calculation under (1)(B)(ii), (5)(B)(ii), and  
 11 (7)(A)(ii) of this subsection, the applicable percentage of the gross value at the point  
 12 of production is determined under AS 43.55.011(f) [AS 43.55.011(f)(1) OR (2)] but  
 13 substituting the phrase "month for which the installment payment is calculated" in  
 14 [AS 43.55.011(f)(1) AND (2)] for the phrase "calendar year for which the tax is due";

15 (10) after December 31, 2016, for the purposes of a calculation  
 16 under (5)(B)(ii) or (7)(A)(ii) of this subsection, a credit under this chapter may  
 17 not be applied to reduce an installment payment to less than the applicable  
 18 percentage under AS 43.55.011(f). ["]"

19  
 20 Renumber the following bill sections accordingly.

21  
 22 Page 8, following line 7:

23 Insert a new bill section to read:

24 **"\* Sec. 19.** AS 43.55.023(c) is amended to read:

25 (c) A credit or portion of a credit under this section may not be used to reduce  
 26 a person's tax liability under AS 43.55.011(e) for any calendar year below **the amount**  
 27 **calculated under AS 43.55.011(f)** [ZERO], and any unused credit or portion of a  
 28 credit not used under this subsection may be applied in a later calendar year."

29  
 30 Renumber the following bill sections accordingly.

31

1 Page 10, following line 18:

2 Insert new bill sections to read:

3 **\*\* Sec. 24.** AS 43.55.024(f) is amended to read:

4 (f) A tax credit authorized by (a) of this section may not be applied to reduce a  
5 producer's tax liability for any calendar year under AS 43.55.011(e) on oil and gas  
6 produced from leases or properties outside the Cook Inlet sedimentary basin, no part  
7 of which is north of 68 degrees North latitude, below **the amount calculated under**  
8 **AS 43.55.011(f)** [ZERO].

9 **\* Sec. 25.** AS 43.55.024(g) is amended to read:

10 (g) A tax credit authorized by (c) of this section may not be applied to reduce  
11 a producer's tax liability for any calendar year under AS 43.55.011(e) below **the**  
12 **amount calculated under AS 43.55.011(f)** [ZERO]."

13

14 Renumber the following bill sections accordingly.

15

16 Page 10, line 26:

17 Delete "zero"

18 Insert "**the amount calculated under AS 43.55.011(f)** [ZERO]"

19

20 Page 13, line 12:

21 Delete "sec. 22"

22 Insert "sec. 28"

23

24 Page 15, following line 8:

25 Insert a new bill section to read:

26 **\*\* Sec. 31.** AS 43.55.025 is amended by adding a new subsection to read:

27 (q) A credit or portion of a credit under this section may not be used to reduce  
28 a person's tax liability under AS 43.55.011(e) for any calendar year below the amount  
29 calculated under AS 43.55.011(f)."

30

31 Renumber the following bill sections accordingly.

1

2 Page 15, line 15:

3 Delete "sec. 25"

4 Insert "sec. 32"

5

6 Page 16, line 14:

7 Delete "sec. 27"

8 Insert "sec. 34"

9

10 Page 18, line 17:

11 Delete "sec. 31"

12 Insert "sec. 38"

13

14 Page 18, line 30:

15 Delete "secs. 31 and 32"

16 Insert "secs. 38 and 39"

17

18 Page 22, line 19:

19 Delete "sec. 38"

20 Insert "sec. 45"

21

22 Page 29, line 23:

23 Delete "sec. 27"

24 Insert "sec. 34"

25

26 Page 29, line 24:

27 Delete "sec. 30"

28 Insert "sec. 37"

29

30 Page 29, line 26:

31 Delete "sec. 29"

1           Insert "sec. 36"

2

3   Page 29, line 27:

4           Delete "secs. 27, 29, and 30"

5           Insert "secs. 34, 36, and 37"

6

7   Page 29, line 28:

8           Delete "sec. 42"

9           Insert "sec. 49"

10

11   Page 30, line 2:

12           Delete "sec. 50"

13           Insert "sec. 57"

14

15   Page 30, line 3:

16           Delete "sec. 16"

17           Insert "sec. 20"

18           Delete "sec. 19"

19           Insert "sec. 23"

20

21   Page 30, line 4:

22           Delete "sec. 31"

23           Insert "sec. 38"

24           Delete "secs. 34 and 35"

25           Insert "secs. 41 and 42"

26

27   Page 30, line 5:

28           Delete "sec. 36"

29           Insert "sec. 43"

30           Delete "sec. 43"

31           Insert "sec. 50"

1

2 Page 30, line 6:

3 Delete "sec. 44"

4 Insert "sec. 51"

5

6 Page 30, line 7:

7 Delete "sec. 50"

8 Insert "sec. 57"

9

10 Page 30, lines 10 - 11:

11 Delete "sec. 50"

12 Insert "sec. 57"

13

14 Page 30, line 14:

15 Delete "sec. 50"

16 Insert "sec. 57"

17

18 Page 30, line 15:

19 Delete "sec. 50"

20 Insert "sec. 57"

21

22 Page 30, line 19:

23 Delete "sec. 51"

24 Insert "sec. 58"

25

26 Page 30, lines 19 - 20:

27 Delete "sec. 32"

28 Insert "sec. 39"

29

30 Page 30, line 21:

31 Delete "sec. 51"

1           Insert "sec. 58"

2

3   Page 30, line 24:

4           Delete "sec. 51"

5           Insert "sec. 58"

6

7   Page 30, line 26:

8           Delete "sec. 51"

9           Insert "sec. 58"

10

11   Page 30, line 27:

12           Delete "sec. 51"

13           Insert "sec. 58"

14

15   Page 31, line 1:

16           Delete "sec. 52"

17           Insert "sec. 59"

18

19   Page 31, line 2:

20           Delete "sec. 33"

21           Insert "sec. 40"

22           Delete "sec. 37"

23           Insert "sec. 44"

24

25   Page 31, line 3:

26           Delete "sec. 39"

27           Insert "sec. 46"

28

29   Page 31, line 4:

30           Delete "sec. 52"

31           Insert "sec. 59"

1

2 Page 31, line 8:

3 Delete "sec. 52"

4 Insert "sec. 59"

5

6 Page 31, line 10:

7 Delete "sec. 52"

8 Insert "sec. 59"

9

10 Page 31, line 11:

11 Delete "sec. 52"

12 Insert "sec. 59"

13

14 Page 31, line 16:

15 Delete "sec. 52"

16 Insert "sec. 59"

17

18 Page 31, line 17:

19 Delete "sec. 23"

20 Insert "sec. 29"

21 Delete "secs. 26 and 28"

22 Insert "secs. 33 and 35"

23

24 Page 31, line 18:

25 Delete "sec. 33"

26 Insert "sec. 40"

27 Delete "sec. 37"

28 Insert "sec. 44"

29

30 Page 31, line 19:

31 Delete "sec. 45"

1           Insert "sec. 52"

2

3   Page 31, line 21:

4           Delete "sec. 52" in both places

5           Insert "sec. 59" in both places

6

7   Page 31, line 26:

8           Delete "sec. 42"

9           Insert "sec. 49"

10

11   Page 31, line 27:

12           Delete "sec. 50"

13           Insert "sec. 57"

14

15   Page 31, line 30:

16           Delete "sec. 50"

17           Insert "sec. 57"

18

19   Page 32, line 4:

20           Delete "sec. 50"

21           Insert "sec. 57"

22

23   Page 32, line 6:

24           Delete "sec. 50"

25           Insert "sec. 57"

26

27   Page 32, line 9:

28           Delete "sec. 50"

29           Insert "sec. 57"

30

31   Page 32, line 12:

1 Delete "sec. 50"

2 Insert "sec. 57"

3

4 Page 32, line 14:

5 Delete "sec. 50"

6 Insert "sec. 57"

7

8 Page 33, line 9:

9 Delete "Sections 22, 53, 61, and 62"

10 Insert "Sections 28, 60, 68, and 69"

11

12 Page 33, line 11:

13 Delete "Sections 32, 51, and 56"

14 Insert "Sections 39, 58, and 63"

15

16 Page 33, line 12:

17 Delete "Sections 23, 26, 28, 33, 37, 39, 45, 52, 57, and 58"

18 Insert "Sections 29, 33, 35, 40, 44, 46, 52, 59, 64, and 65"

19

20 Page 33, line 14:

21 Delete "secs. 63 - 65"

22 Insert "secs. 70 - 72"

10

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE TUCK

TO: 2d CSHB 247( ), Draft Version "D"

1 Page 17, lines 13 - 14:

2 Delete "applicant's workforce in the state in the previous calendar year was  
3 composed"

4 Insert "total hours worked in the state by the applicant's employees, contractors,  
5 and subcontractors in the previous calendar year were hours"