

01/29/13

SB 21 -

Department  
of Revenue  
Overview

<TARGET><BILL>SB 21</BILL><SUBJECT>01-29-13 SB 21 -  
Department of Revenue  
Overview</SUBJECT><COMM>STTP28</COMM></TARGET>



*January 29, 2013*  
*Alaska Department of Revenue*



# Principles



- Governor' Principles:
  - Tax reform must be fair to Alaskans.
  - Encourage new production.
  - Simple so that it restores balance to the system.
  - Durable for the long-term.



# The Proposal (Highlights)



1. Eliminate Progressivity and Credits Based on Capital Expenditures.
2. Reform remaining credits to be carried forward to when there is production.
3. Establish a “Gross Revenue Exclusion” for newer units and new participating areas in existing units (NEW OIL).
4. Hold Cook Inlet and Middle Earth Harmless.



# Eliminate Progressivity & Credits Based on Capital Expenditures



## Progressivity

Main Sections: 1,2,26

Conforming Sections: 5,6,22,23

## North Slope QCE Credits

Main Sections: 8

Conforming Sections: 7, 11, 12



Reform remaining credits to be carried forward to when there is production.



## North Slope Net Operating Loss Credits

Main Sections: 9, 15

Conforming Sections: 10, 19, 20

## Small Producer Tax Credits

Main Sections: 16



Establish a “Gross Revenue Exclusion” for newer units and new participating areas in existing units.



## Gross Revenue Exclusion (The GRE)

Main Sections: 24

Conforming Sections: 5



## Cook Inlet and Middle Earth



# No Changes to Cook Inlet & Middle Earth

Main Sections: 3

Conforming Sections: 4, 13, 14, 17, 18, 21, 25