

1

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE THOMPSON

TO: CSHB 247(FIN), Draft Version "F"

1 Page 1, line 3:

2 Delete "**repealing a maximum production tax on certain oil;**"

3

4 Page 5, lines 5 - 26:

5 Delete all material.

6

7 Renumber the following bill sections accordingly.

8

9 Page 7, line 30:

10 Delete "[, (k),]"

11 Insert ", (k),"

12

13 Page 8, line 2:

14 Delete "[, (k),]"

15 Insert ", (k),"

16

17 Page 8, line 4:

18 Delete "[, (k),]"

19 Insert ", (k),"

20

21 Page 8, line 6:

22 Delete "[OR (k) OF THIS SECTION FOR THE PRODUCTION OF OIL]"

23 Insert "or (k) of this section for the production of oil"

1  
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31

Page 8, line 11:

Delete "[, (k),]"

Insert ", (k),"

Page 9, line 26:

Delete "[OIL OR]"

Insert "oil or"

Delete "[, (k),]"

Insert ", (k),"

Page 10, line 20:

Delete "[, (k),]"

Insert ", (k),"

Page 10, lines 22 - 23:

Delete "[OR SET OUT IN AS 43.55.011(k)(1) OR (2), AS APPLICABLE, FOR OIL,]"

Insert "or set out in AS 43.55.011(k)(1) or (2), as applicable, for oil,"

Page 10, lines 25 - 28:

Delete "[AND SUBSTITUTING IN AS 43.55.011(k)(1)(A) OR (2)(A), AS APPLICABLE, THE AMOUNT OF TAXABLE OIL PRODUCED DURING THE MONTH FOR THE AMOUNT OF TAXABLE OIL PRODUCED DURING THE CALENDAR YEAR]"

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

Page 12, line 19:

Delete "[OIL OR]"

- 1           Insert "oil or"
- 2           Delete "[, (k),]"
- 3           Insert ", (k),"
- 4
- 5   Page 12, line 25:
- 6           Delete "[OIL OR]"
- 7           Insert "oil or"
- 8
- 9   Page 12, lines 25 - 26:
- 10          Delete "[, RESPECTIVELY,]"
- 11          Insert ", respectively,"
- 12
- 13   Page 12, line 27:
- 14          Delete "[OIL OR]"
- 15          Insert "oil or"
- 16
- 17   Page 12, lines 27 - 28:
- 18          Delete "[, RESPECTIVELY,]"
- 19          Insert ", respectively,"
- 20
- 21   Page 13, line 10:
- 22          Delete "[OIL OR]"
- 23          Insert "oil or"
- 24
- 25   Page 13, line 11:
- 26          Delete "[, (k),]"
- 27          Insert ", (k),"
- 28
- 29   Page 13, lines 13 - 14:
- 30          Delete "[OR SET OUT IN AS 43.55.011(k)(1) OR (2), AS APPLICABLE, FOR
- 31   OIL,]"

1           Insert "or set out in AS 43.55.011(k)(1) or (2), as applicable, for oil,"

2

3   Page 13, lines 16 - 19:

4           Delete "[AND SUBSTITUTING IN AS 43.55.011(k)(1)(A) OR (2)(A), AS  
5   APPLICABLE, THE AMOUNT OF TAXABLE OIL PRODUCED DURING THE MONTH  
6   FOR THE AMOUNT OF TAXABLE OIL PRODUCED DURING THE CALENDAR  
7   YEAR]"

8           Insert "and substituting in AS 43.55.011(k)(1)(A) or (2)(A), as applicable, the amount  
9   of taxable oil produced during the month for the amount of taxable oil produced during the  
10   calendar year"

11

12   Page 25, lines 2 - 22:

13           Delete all material.

14

15   Renumber the following bill sections accordingly.

16

17   Page 33, line 5:

18           Delete "AS 43.20.053(j)(4); and AS 43.55.011(k)"

19           Insert "and AS 43.22.053(j)(4)"

20

21   Page 34, line 18:

22           Delete "26, and 27"

23           Insert "25, and 26"

24

25   Page 34, lines 23 - 24:

26           Delete "sec. 43"

27           Insert "sec. 41"

28

29   Page 34, line 25:

30           Delete "secs. 18, 19, 28, 36, and 37"

31           Insert "secs. 17, 18, 27, 34, and 35"

1

2 Page 34, line 26:

3 Delete "sec. 43"

4 Insert "sec. 41"

5

6 Page 34, line 29:

7 Delete "sec. 43"

8 Insert "sec. 41"

9

10 Page 34, line 31:

11 Delete "sec. 43"

12 Insert "sec. 41"

13

14 Page 35, line 3:

15 Delete "sec. 43"

16 Insert "sec. 41"

17

18 Page 35, line 6:

19 Delete "sec. 43"

20 Insert "sec. 41"

21

22 Page 35, line 8:

23 Delete "sec. 43"

24 Insert "sec. 41"

25

26 Page 35, line 12:

27 Delete "sec. 34"

28 Insert "sec. 32"

29

30 Page 34, line 13:

31 Delete "sec. 43"

- 1           Insert "sec. 41"
- 2
- 3   Page 35, line 15:
- 4           Delete "sec. 43"
- 5           Insert "sec. 41"
- 6
- 7   Page 36, line 10:
- 8           Delete "Sections 24, 44, and 48"
- 9           Insert "Sections 23, 42, and 46"
- 10
- 11   Page 36, line 12:
- 12           Delete "Sections 18, 19, 28 - 30, 34 - 38, 40, 43, 46, and 47"
- 13           Insert "Sections 17, 18, 27 - 29, 32 - 36, 38, 41, 44, and 45"
- 14
- 15   Page 36, line 14:
- 16           Delete "secs. 50 and 51"
- 17           Insert "secs. 48 and 49"

2

29-GH2609\F.25  
Nauman/Shutts  
4/7/16

**AMENDMENT**

OFFERED IN THE HOUSE

BY REPRESENTATIVE THOMPSON

TO: CSHB 247(FIN), Draft Version "F"

1 Page 17, lines 12 - 14:

2 Delete "if the producer or explorer had, before January 1, 2017, taken a credit  
3 under this subsection for an expenditure incurred in the Cook Inlet sedimentary basin"

4

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE THOMPSON

TO: CSHB 247(FIN), Draft Version "F"

1 Page 32, line 28, through page 33, line 3:

2 Delete all material and insert:

3 **"\* Sec. 41.** AS 43.70 is amended by adding new sections to read:

4 **Sec. 43.70.025. Bond or cash deposit required for an oil or gas business. (a)**

5 At the time of applying for a license under this chapter, an applicant engaged in the  
6 business of oil or gas exploration, development, or production shall file a surety bond  
7 in the amount of \$250,000 running to the state, conditioned upon the applicant's  
8 promise to pay all

9 (1) taxes and contributions due the state and political subdivisions;

10 (2) persons furnishing labor or material or renting or supplying  
11 equipment to the applicant; and

12 (3) amounts that may be adjudged against the applicant because of  
13 negligent or improper work or breach of contract while engaged in the business of oil  
14 or gas exploration, development, or production.

15 (b) In lieu of the surety bond required under this section, the applicant may  
16 file with the commissioner a cash deposit or other negotiable security acceptable to the  
17 commissioner in the amount of \$250,000.

18 (c) The bond required by this section remains in effect until cancelled by  
19 action of the surety, the principal, or if the commissioner finds that the business is  
20 producing oil or gas in commercial quantities, by the commissioner.

21 **Sec. 43.70.028. Claims against an oil or gas business. (a)** A person having a  
22 claim against a person required to file a surety bond under this section because of the  
23 failure to pay a liability described in AS 43.70.025(a) may bring suit upon the bond. A



1 copy of the complaint shall be served by registered or certified mail on the  
2 commissioner at the time suit is filed, and the commissioner shall maintain a record,  
3 available for public inspection, of all suits commenced. This service on the  
4 commissioner shall constitute service on the surety, and the commissioner shall  
5 transmit the complaint or a copy of it to the surety within 72 hours after it is received.  
6 The surety on the bond is not liable in an aggregate amount in excess of that named in  
7 the bond, but if claims pending at any one time exceed the amount of the bond, the  
8 claims shall be satisfied from the bond in the following order:

- 9 (1) labor, including employee benefits;
- 10 (2) taxes and contributions due the state, city, and borough, in that  
11 order;
- 12 (3) material and equipment;
- 13 (4) claims for negligent or improper work or breach of contract;
- 14 (5) repair of public facilities.

15 (b) If a judgment is entered against a cash deposit, the commissioner, upon  
16 receipt of a certified copy of a final judgment, shall pay the judgment from the amount  
17 of the deposit in accordance with the priorities set out in (a) of this section.

18 (c) An action described in (a) of this section may not be commenced on the  
19 bond more than three years after the bond's cancellation."

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29-GH2609\F.30  
Nauman/Shutts  
4/7/16

AMENDMENT

GATTIS

OFFERED IN THE HOUSE

TO: CSHB 247(FIN), Draft Version "F"

- 1 Page 26, line 9:
- 2 Delete "lease or property"
- 3 Insert "well"
- 4 Delete "five"
- 5 Insert "10"
- 6
- 7 Page 26, line 11:
- 8 Delete "lease or property"
- 9 Insert "well"
- 10
- 11 Page 26, line 12:
- 12 Delete "lease or property"
- 13 Insert "well"
- 14
- 15 Page 26, line 13:
- 16 Delete "2021"
- 17 Insert "2026"
- 18
- 19 Page 26, line 31, through page 27, line 1:
- 20 Delete "lease or property"
- 21 Insert "well"
- 22
- 23 Page 27, line 1:

1 Delete "five"

2 Insert "10"

3

4 Page 27, line 2:

5 Delete "lease or property"

6 Insert "well"

7

8 Page 27, lines 3 - 4:

9 Delete "lease or property"

10 Insert "well"

11

12 Page 27, line 4:

13 Delete "2021"

14 Insert "2026"

6

AMENDMENT

GATTIS

OFFERED IN THE HOUSE

TO: CSHB 247(FIN), Draft Version "F"

1 Page 5, following line 4:

2 Insert a new bill section to read:

3 **\*\* Sec. 10.** AS 43.55 is amended by adding a new section to read:

4 **Sec. 43.55.008. Tax relief.** The tax and the accrual of credits under this  
5 chapter shall be suspended by the department if a taxpayer subject to tax under this  
6 chapter demonstrates that the taxpayer has paid over 105 percent of the amount of the  
7 taxpayer's income attributable to the state in state and federal taxes during the calendar  
8 year. The department shall adopt regulations to implement this section."  
9

10 Renumber the following bill sections accordingly.

11

12 Page 34, line 18:

13 Delete "26, and 27"

14 Insert "27, and 28"

15

16 Page 34, lines 23 - 24:

17 Delete "sec. 43"

18 Insert "sec. 44"

19

20 Page 34, line 25:

21 Delete "secs. 18, 19, 28, 36, and 37"

22 Insert "secs. 19, 20, 29, 37, and 38"

23

1 Page 34, line 26:

2 Delete "sec. 43"

3 Insert "sec. 44"

4

5 Page 34, line 29:

6 Delete "sec. 43"

7 Insert "sec. 44"

8

9 Page 34, line 31:

10 Delete "sec. 43"

11 Insert "sec. 44"

12

13 Page 35, line 3:

14 Delete "sec. 43"

15 Insert "sec. 44"

16

17 Page 35, line 6:

18 Delete "sec. 43"

19 Insert "sec. 44"

20

21 Page 35, line 8:

22 Delete "sec. 43"

23 Insert "sec. 44"

24

25 Page 35, line 12:

26 Delete "sec. 34"

27 Insert "sec. 35"

28

29 Page 35 line 13:

30 Delete "sec. 43"

31 Insert "sec. 44"

1

2 Page 35, line 15:

3 Delete "sec. 43"

4 Insert "sec. 44"

5

6 Page 36, line 10:

7 Delete "Sections 24, 44, and 48"

8 Insert "Sections 25, 45, and 49"

9

10 Page 36, line 12:

11 Delete "Sections 18, 19, 28 - 30, 34 - 38, 40, 43, 46, and 47"

12 Insert "Sections 19, 20, 29 - 31, 35 - 39, 41, 44, 47, and 48"

13

14 Page 36, line 14:

15 Delete "secs. 50 and 51"

16 Insert "secs. 51 and 52"

Pruitt, Gathis, Wilson

7

29-GH2609\F.33  
Nauman/Shutts  
4/7/16

AMENDMENT

OFFERED IN THE HOUSE

TO: CSHB 247(FIN), Draft Version "F"

- 1 Page 16, line 11:
- 2 Delete "10 [20]"
- 3 Insert "20"

AMENDMENT

OFFERED IN THE HOUSE

TO: CSHB 247(FIN), Draft Version "F"

1 Page 26, line 9:

2 Delete "five"

3 Insert "15"

4

5 Page 26, line 13:

6 Delete "2021"

7 Insert "2032"

8

9 Page 27, line 1:

10 Delete "five"

11 Insert "15"

12

13 Page 27, line 4:

14 Delete "2021"

15 Insert "2032"



Pritt, Wilson, Gattis

9

29-GH2609\F.31  
Nauman/Shutts  
4/7/16

AMENDMENT

OFFERED IN THE HOUSE

TO: CSHB 247(FIN), Draft Version "F"

1 Page 33, following line 5:

2 Insert a new bill section to read:

3 "\* Sec. 43. AS 43.55.023(l), 43.55.023(n), and 43.55.023(o) are repealed January 1, 2019."  
4

5 Renumber the following bill sections accordingly.  
6

7 Page 33, line 6:

8 Delete "43.55.023(l), 43.55.023(n), 43.55.023(o),"

9  
10 Page 34, lines 22 - 23:

11 Delete "AND WELL LEASE EXPENDITURES"  
12

13 Page 34, lines 23 - 24 :

14 Delete ", (l), (n), and (o) by sec. 43"

15 Insert "by sec. 44"  
16

17 Page 34, line 24:

18 Delete "43.55.029(a),"

19  
20 Page 34, line 25:

21 Delete "28,"  
22

23 Page 34, line 26:

- 1 Delete "(1)"
- 2 Delete "sec. 43"
- 3 Insert "sec. 44"
- 4
- 5 Page 34, line 29:
  - 6 Delete "sec. 43"
  - 7 Insert "sec. 44"
  - 8
- 9 Page 34, line 30:
  - 10 Delete ";"
  - 11 Insert "."
  - 12
- 13 Page 34, line 31, through page 35, line 4:
  - 14 Delete all material.
  - 15
- 16 Page 35, lines 5 - 6:
  - 17 Delete "AS 43.55.023 and 43.55.029, as those sections"
  - 18 Insert "AS 43.55.023(a) as that"
  - 19
- 20 Page 35, line 6:
  - 21 Delete "sec. 43"
  - 22 Insert "sec. 44"
  - 23
- 24 Page 35, line 7:
  - 25 Delete "and well lease expenditures"
  - 26
- 27 Page 35, line 8:
  - 28 Delete "sec. 43"
  - 29 Insert "sec. 44"
  - 30
- 31 Page 35, following line 8:

1           Insert a new bill section to read:

2       **"\* Sec. 48.** The uncodified law of the State of Alaska is amended by adding a new section to  
3 read:

4           TRANSITION: WELL LEASE EXPENDITURES. (a) Notwithstanding the repeal of  
5 AS 43.55.023(*l*), (n), and (o) by sec. 43 of this Act, and the amendments to AS 43.55.029(a)  
6 by sec. 28 of this Act, a taxpayer who incurs a well lease expenditure before the effective date  
7 of sec. 43 of this Act that qualifies for a well lease expenditure credit under AS 43.55.023(*l*)  
8 may apply for a credit or transferable tax credit certificate under AS 43.55.023 and assign the  
9 tax credit under AS 43.55.029, as those sections read on the day before the effective date of  
10 sec. 43 of this Act.

11           (b) The Department of Revenue may continue to apply and enforce AS 43.55.023(*l*)  
12 and 43.55.029, as those sections read on the day before the effective date of sec. 43 of this  
13 Act, for well lease expenditures incurred before the effective date of sec. 43 of this Act."

14

15       Renumber the following bill sections accordingly.

16

17       Page 35, line 15:

18           Delete "sec. 43"

19           Insert "sec. 44"

20

21       Page 36, following line 11:

22           Insert a new bill section to read:

23       **"\* Sec. 53.** Sections 28, 40, 43, and 48 of this Act take effect January 1, 2019."

24

25       Renumber the following bill sections accordingly.

26

27       Page 36, line 12:

28           Delete "28"

29           Insert "29"

30           Delete "40, 43, 46, and 47"

31           Insert "44, 47, and 49"

1

2 Page 36, line 14:

3 Delete "secs. 50 and 51"

4 Insert "secs. 52 - 54"

Pruitt, Wilson, Gattis

10

29-GH2609\F.35  
Shutts  
4/7/16

A M E N D M E N T

OFFERED IN THE HOUSE

TO: CSHB 247(FIN), Draft Version "F"

1 Page 17, lines 5 - 9:

2 Delete "For lease expenditures incurred after December 31, 2016, to explore for,  
3 develop, or produce oil or gas deposits located south of 68 degrees North latitude and  
4 outside of the Cook Inlet sedimentary basin, a producer or explorer may elect to take a  
5 tax credit in the amount of 25 percent of a carried-forward annual loss."

6

7 Page 17, lines 9 - 10:

8 Delete "after December 31, 2016"

9 Insert "on or after January 1, 2017"

10

11 Page 17, line 11:

12 Delete "in the Cook Inlet sedimentary basin"

13 Insert "south of 68 degrees North latitude"

14

15 Page 17, lines 12 - 14:

16 Delete ", if the producer or explorer had, before January 1, 2017, taken a credit  
17 under this subsection for an expenditure incurred in the Cook Inlet sedimentary basin"

18

19 Page 18, line 31:

20 Delete "[SOUTH OF 68 DEGREES NORTH LATITUDE]"

21 Insert "south of 68 degrees North latitude"

22

23 Page 19, line 3:

- 1 Delete "[SOUTH OF 68 DEGREES NORTH LATITUDE]"  
2 Insert "south of 68 degrees North latitude"  
3  
4 Page 19, lines 7 - 8:  
5 Delete "[SOUTH OF 68 DEGREES NORTH LATITUDE]"  
6 Insert "south of 68 degrees North latitude"  
7  
8 Page 19, lines 10 - 11:  
9 Delete "south of 68 degrees North latitude"  
10  
11 Page 19, lines 12 - 13:  
12 Delete "south of 68 degrees North latitude after December 31, 2016"  
13 Insert "on or after January 1, 2017"  
14  
15 Page 19, lines 15 - 19:  
16 Delete "(C) 20 percent of that expenditure incurred inside the Cook Inlet  
17 sedimentary basin after December 31, 2017;  
18 (D) 30 percent of that expenditure incurred outside the  
19 Cook Inlet sedimentary basin and south of 68 degrees North latitude after  
20 December 31, 2017, and before January 1, 2019"  
21 Insert "(C) 20 percent of that expenditure incurred on or after January 1, 2018"  
22  
23 Page 20, line 17, through page 21, line 24:  
24 Delete all material.  
25  
26 Renumber the following bill sections accordingly.  
27  
28 Page 34, line 18:  
29 Delete "26, and 27"  
30 Insert "25, and 26"  
31

- 1 Page 34, lines 23 - 24:
- 2 Delete "sec. 43"
- 3 Insert "sec. 42"
- 4
- 5 Page 34, line 25:
- 6 Delete "28, 36, and 37"
- 7 Insert "27, 35, and 36"
- 8
- 9 Page 34, line 26:
- 10 Delete "sec. 43"
- 11 Insert "sec. 42"
- 12
- 13 Page 34, line 29:
- 14 Delete "sec. 43"
- 15 Insert "sec. 42"
- 16
- 17 Page 34, line 31:
- 18 Delete "sec. 43"
- 19 Insert "sec. 42"
- 20
- 21 Page 35, line 3:
- 22 Delete "sec. 43"
- 23 Insert "sec. 42"
- 24
- 25 Page 35, line 6:
- 26 Delete "sec. 43"
- 27 Insert "sec. 42"
- 28
- 29 Page 35, line 8:
- 30 Delete "sec. 43"
- 31 Insert "sec. 42"

1

2 Page 35, line 12:

3 Delete "sec. 34"

4 Insert "sec. 33"

5

6 Page 35, line 13:

7 Delete "sec. 43"

8 Insert "sec. 42"

9

10 Page 35, line 15:

11 Delete "sec. 43"

12 Insert "sec. 42"

13

14 Page 36, line 10:

15 Delete "Sections 24, 44, and 48"

16 Insert "Sections 43 and 47"

17

18 Page 36, line 12:

19 Delete "28 - 30, 34 - 38, 40, 43, 46, and 47"

20 Insert "27 - 29, 33 - 37, 39, 42, 45, and 46"

21

22 Page 36, line 14:

23 Delete "secs. 50 and 51"

24 Insert "secs. 49 and 50"



Wilson  
Pruitt  
Gattis

11

29-GH2609\F.37  
Shutts  
4/7/16

## AMENDMENT

OFFERED IN THE HOUSE

TO: CSHB 247(FIN), Draft Version "F"

1 Page 1, lines 2 - 3:

2 Delete "**relating to the minimum oil and gas production tax;**"

3

4 Page 5, line 27, through page 7, line 25:

5 Delete all material.

6

7 Renumber the following bill sections accordingly.

8

9 Page 8, lines 12 - 17:

10 Delete all material.

11

12 Renumber the following bill sections accordingly.

13

14 Page 11, line 18:

15 Delete "**and (10)**"

16

17 Page 13, line 23:

18 Delete "**except as provided in (10) of this subsection,**"

19

20 Page 15, line 27:

21 Delete "**AS 43.55.011(f)** [AS 43.55.011(f)(1) OR (2)]"

22 Insert "AS 43.55.011(f)(1) or (2)"

23

- 1 Page 15, line 29:
- 2 Delete "":;"
- 3 Insert "":."
- 4
- 5 Page 15, line 30, through page 16, line 2:
- 6 Delete all material.
- 7
- 8 Page 17, lines 25 - 29:
- 9 Delete all material.
- 10
- 11 Renumber the following bill sections accordingly.
- 12
- 13 Page 19, line 30, through page 20, line 16:
- 14 Delete all material.
- 15
- 16 Page 21, lines 25 - 28:
- 17 Delete all material.
- 18
- 19 Renumber the following bill sections accordingly.
- 20
- 21 Page 34, line 18:
- 22 Delete "26, and 27"
- 23 Insert "20, and 21"
- 24
- 25 Page 34, lines 23 - 24:
- 26 Delete "sec. 43"
- 27 Insert "sec. 37"
- 28
- 29 Page 34, line 25:
- 30 Delete "secs. 18, 19, 28, 36, and 37"
- 31 Insert "secs. 15, 16, 22, 30, and 31"

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

- 1           Insert "sec. 37"
- 2
- 3   Page 35, line 15:
- 4           Delete "sec. 43"
- 5           Insert "sec. 37"
- 6
- 7   Page 36, line 10:
- 8           Delete "Sections 24, 44, and 48"
- 9           Insert "Sections 18, 38, and 42"
- 10
- 11   Page 36, line 12:
- 12           Delete "Sections 18, 19, 28 - 30, 34 - 38, 40, 43, 46, and 47"
- 13           Insert "Sections 15, 16, 22 - 24, 28 - 32, 34, 37, 40, and 41"
- 14
- 15   Page 36, line 14:
- 16           Delete "secs. 50 and 51"
- 17           Insert "secs. 44 and 45"

12

Wilson  
Gatts  
Pruitt

29-GH2609\F.40  
Nauman/Shutts  
4/7/16

AMENDMENT

OFFERED IN THE HOUSE

TO: CSHB 247(FIN), Draft Version "F"

1 Page 3, line 18:

2 Delete "(i)"

3

4 Page 3, lines 23 - 28:

5 Delete "and

6

7

8

9

10

11

12

(ii) after the first four years after a tax becomes delinquent, in each calendar quarter at a rate of five percentage points above the annual rate charged member banks for advances by the 12th Federal Reserve District as of the first day of that calendar quarter"

Insert "no interest shall accrue after the first four years after a tax becomes delinquent"

13

29-GH2609\F.39  
Nauman/Shutts  
4/7/16

AMENDMENT

OFFERED IN THE HOUSE

TO: CSHB 247(FIN), Draft Version "F"

Car  
Guttenberg  
Kawasaki

1 Page 16, line 30, following "January 1, 2016,":

2 Insert "and before January 1, 2017,"

3

4 Page 17, line 1, following "loss.":

5 Insert "For lease expenditures incurred after December 31, 2017, to explore for,  
6 develop, or produce oil or gas deposits located north of 68 degrees North latitude, a  
7 producer or explorer may elect to take a tax credit in the amount of 20 percent of a  
8 carried-forward annual loss."

**Table 4-3: ANS Oil & Gas Production Tax Data Summary**

	(\$ millions)		
	History	Forecast	
	FY 2015	FY 2016	FY 2017
<b>North Slope Price and Production</b>			
Price of ANS WC (in \$/barrel)	72.58	39.99	38.89
Transit Costs & Other (in \$/barrel)	9.74	10.50	10.86
ANS Wellhead (in \$/barrel)	62.83	29.49	28.03
<b>North Slope Production</b>			
Total ANS Production (in mbbbls/day)	500.7	520.2	507.1
Royalty and federal (in mbbbls/day) <sup>(1)</sup>	66.2	66.3	62.0
Taxable Barrels (in mbbbls/day)	434.5	453.9	445.2
<b>North Slope Lease Expenditures<sup>(2)(3)</sup></b>			
Total North Slope Lease Expenditures (in \$ millions)			
Operating Expenditures [OPEX]	3,438.8	3,235.2	3,075.9
Capital Expenditures [CAPEX]	3,992.0	3,315.1	2,970.3
Total North Slope Expenditures	7,430.8	6,550.3	6,046.2
Deductible North Slope Lease Expenditures (in \$ millions) <sup>4</sup>			
Operating Expenditures [OPEX]	3,318.6	2,471.9	2,422.7
Capital Expenditures [CAPEX]	3,595.8	2,248.9	2,040.0
Deductible North Slope Expenditures	6,914.4	4,720.8	4,462.6
<b>State Production Tax Revenue<sup>(4)</sup></b>			
Tax Revenue (in \$ millions)	389.7	153.4	67.9
Production Tax Collected per Taxable Barrel	2.5	0.9	0.4
<b>Statewide Production Tax Credits<sup>(2)(5)</sup></b>			
Credits Used against Tax Liability (in \$ millions)	664.0	770.0	135.0
Credits for Potential Purchase (in \$ millions)	628.0	500.0	775.0

<sup>(1)</sup> Royalty and federal barrels represent the department's best estimate of barrels that are not taxed. This estimate includes both state and federal royalty barrels, barrels produced from federal offshore property, and other untaxed barrels.

<sup>(2)</sup> Lease expenditures and credits used against tax liability for FY 2015 were prepared using unaudited company-reported estimates.

<sup>(3)</sup> Expenditure data for FY 2016 and FY 2017 are compiled from company submitted expenditure forecast estimates and other documentation as provided to the DOR. Expenditures shown here are shown in two ways: (1) total estimated allowable expenditures for all companies on the North Slope; and (2) estimated "deductible expenditures" defined for purposes of this analysis as the amount of total allowable expenditures for each company that does not exceed their gross value at point of production. Note that for producers with a net operating loss, only a portion of expenditures will be counted in the "deductible expenditures" category.

<sup>(4)</sup> Production tax is calculated on a company specific basis, therefore the aggregated data reported here will not generate the total tax revenue shown. For an illustration of the tax calculation, see Appendix E in the 2015 Fall Revenue Sources Book.

<sup>(5)</sup> Production tax credits shown include all production tax credits and all areas of the state. Assumptions for the \$12 million credits for small Alaska producers are included in the table. Per-taxable-barrel credits for oil not eligible for the gross value reduction may not reduce a producer's liability below the minimum tax; that limitation is reflected in these estimates.

**Table A-3b: Petroleum Revenue Forecast**

	(\$ millions)									
<b>FY</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
<b>Unrestricted Petroleum Revenue</b>										
Petroleum Property Tax	133.9	118.3	118.5	117.3	116.5	114.9	113.2	111.4	109.4	107.4
Petroleum Corporate Income Tax	0.0	30.0	105.0	135.0	165.0	195.0	190.0	185.0	180.0	175.0
Oil and Gas Production Tax	144.8	59.4	15.7	10.7	12.5	32.5	109.9	217.3	212.0	275.2
Oil and Gas Hazardous Release	8.6	8.4	8.2	8.1	7.7	7.0	6.5	6.0	5.5	5.0
Oil and Gas Conservation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Oil and Gas Royalties-Net <sup>(1)</sup>	501.0	475.6	527.3	588.7	624.4	645.1	609.5	573.4	536.9	500.9
Bonuses, Rents & Interest-Net <sup>(1)(2)</sup>	12.9	12.9	12.9	12.9	12.9	12.9	12.9	12.9	12.9	12.9
Petroleum Special Settlements	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Unrestricted Petroleum Revenue</b>	<b>801.1</b>	<b>704.7</b>	<b>787.5</b>	<b>872.7</b>	<b>938.9</b>	<b>1,007.5</b>	<b>1,042.0</b>	<b>1,105.9</b>	<b>1,056.7</b>	<b>1,076.4</b>
<b>Cumulative Unrestricted Petroleum Revenue<sup>(3)</sup></b>	<b>115,851</b>	<b>116,556</b>	<b>117,343</b>	<b>118,216</b>	<b>119,155</b>	<b>120,162</b>	<b>121,204</b>	<b>122,310</b>	<b>123,367</b>	<b>124,443</b>
<b>Restricted Petroleum Revenue</b>										
NPR-A Rents, Royalties, Bonuses	4.3	4.3	4.3	6.5	8.6	7.3	6.2	5.5	5.1	4.9
Royalties to AK Permanent Fund	224.4	214.4	238.8	274.7	291.8	294.4	273.9	255.1	237.6	220.9
Royalties to Public School Fund	3.7	3.6	3.9	4.4	4.7	4.8	4.5	4.2	4.0	3.7
CBRF Deposits	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
<b>Restricted Petroleum Revenue</b>	<b>332.4</b>	<b>322.3</b>	<b>347.0</b>	<b>385.6</b>	<b>405.1</b>	<b>406.5</b>	<b>384.6</b>	<b>364.9</b>	<b>346.7</b>	<b>329.5</b>
<b>Total Petroleum Revenue</b>	<b>1,133.5</b>	<b>1,026.9</b>	<b>1,134.5</b>	<b>1,258.3</b>	<b>1,344.0</b>	<b>1,414.0</b>	<b>1,426.5</b>	<b>1,470.7</b>	<b>1,403.4</b>	<b>1,405.9</b>

<sup>(1)</sup> Net of Permanent Fund Contribution and CBRF deposits.

<sup>(2)</sup> Primarily composed of petroleum revenue.

<sup>(3)</sup> Based on revenue beginning in FY 1959.



14

29-GH2609\F.19  
Shutts  
4/6/16

Gara  
Guttenberg  
Kawasaki

AMENDMENT

OFFERED IN THE HOUSE

TO: CSHB 247(FIN), Draft Version "F"

1 Page 19, lines 12 - 14:

2 Delete all material.

3

4 Reletter the following subparagraphs accordingly.

5

6 Page 19, line 15:

7 Delete "20"

8 Insert "10"

9

10 Page 19, line 16:

11 Delete "2017"

12 Insert "2016"

13

14 Page 19, line 19:

15 Delete "2017"

16 Insert "2016"

15

29-GH2609\F.21  
Shutts  
4/6/16

AMENDMENT

GAZA  
GUTTENBERG  
KAWASAKI

OFFERED IN THE HOUSE

TO: CSHB 247(FIN), Draft Version "F"

- 1 Page 22, line 4:
- 2 Delete "\$100,000,000"
- 3 Insert "\$25,000,000"
- 4
- 5 Page 22, line 12:
- 6 Delete "\$100,000,000"
- 7 Insert "\$25,000,000"

16

AMENDMENT

OFFERED IN THE HOUSE BY REPRESENTATIVES KAWASAKI,  
TO: CSHB 247(FIN), Draft Version "F" GARA, AND GUTTENBERG

1 Page 17, line 5:

2 Delete "For"

3 Insert "Subject to the limitations in (q) of this section, for"

4

5 Page 17, line 9:

6 Delete "For"

7 Insert "Subject to the limitations in (q) of this section, for"

8

9 Page 19, following line 29:

10 Insert a new bill section to read:

11 **"\* Sec. 21.** AS 43.55.023 is amended by adding new subsections to read:

12 (q) In a single calendar year, the department may not grant a credit accrued  
13 under (b) of this section against the taxes due under this chapter and a cash payment  
14 under AS 43.55.028 resulting from a credit under (b) of this section if the credit or  
15 payment, or the sum of the credit and payment, exceeds

16 (1) \$50,000,000 for each person;

17 (2) \$200,000,000 for each unit.

18 (r) If the total application of credits accrued under (b) of this section against  
19 taxes due under this chapter and applications for cash payments under AS 43.55.028  
20 resulting from a credit under (b) of this section exceed \$200,000,000 for each unit, the  
21 department shall prorate the application of credits accrued under (b) of this section  
22 against taxes due under this chapter and applications for cash payments under  
23 AS 43.55.028 resulting from a credit under (b) of this section by ownership interest in

1 the unit."

2

3 Renumber the following bill sections accordingly.

4

5 Page 21, following line 28:

6 Insert a new bill section to read:

7 **\*\* Sec. 27.** AS 43.55.028(a) is amended to read:

8 (a) The oil and gas tax credit fund is established as a separate fund of the state.

9 The purpose of the fund is to purchase transferable tax credit certificates issued under

10 AS 43.55.023 and production tax credit certificates issued under AS 43.55.025 and to

11 pay refunds and payments claimed under AS 43.20.046, 43.20.047, or 43.20.053. A

12 **purchase of a transferable tax credit certificate issued under AS 43.55.023 is**

13 **subject to the limitations in AS 43.55.023(q).**"

14

15 Renumber the following bill sections accordingly.

16

17 Page 34, line 18:

18 Delete "26, and 27"

19 Insert "28, and 29"

20

21 Page 34, lines 23 - 24:

22 Delete "sec. 43"

23 Insert "sec. 45"

24

25 Page 34, line 25:

26 Delete "28, 36, and 37"

27 Insert "30, 38, and 39"

28

29 Page 34, line 26:

30 Delete "sec. 43"

31 Insert "sec. 45"

1

2 Page 34, line 29:

3 Delete "sec. 43"

4 Insert "sec. 45"

5

6 Page 34, line 31:

7 Delete "sec. 43"

8 Insert "sec. 45"

9

10 Page 35, line 3:

11 Delete "sec. 43"

12 Insert "sec. 45"

13

14 Page 35, line 6:

15 Delete "sec. 43"

16 Insert "sec. 45"

17

18 Page 35, line 8:

19 Delete "sec. 43"

20 Insert "sec. 45"

21

22 Page 35, line 12:

23 Delete "sec. 34"

24 Insert "sec. 36"

25

26 Page 35, line 13:

27 Delete "sec. 43"

28 Insert "sec. 45"

29

30 Page 35, line 15:

31 Delete "sec. 43"

1           Insert "sec. 45"

2

3   Page 36, line 10:

4           Delete "Sections 24, 44, and 48"

5           Insert "Sections 25, 46, and 50"

6

7   Page 36, line 12:

8           Delete "28 - 30, 34 - 38, 40, 43, 46, and 47"

9           Insert "30 - 32, 36 - 40, 42, 45, 48, and 49"

10

11   Page 36, line 14:

12           Delete "secs. 50 and 51"

13           Insert "secs. 52 and 53"

17

29-GH2609\F.42  
Nauman/Shutts  
4/8/16

AMENDMENT

Gene  
Guttenberg  
Kawada

OFFERED IN THE HOUSE

TO: CSHB 247(FIN), Draft Version "F"

1 Page 6, line 21, through page 7, line 25:

2 Delete all material and insert:

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

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

8 (i) 10 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 more than \$85;

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

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

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

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(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 \$65 but not over \$70;

(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 \$60 but not over \$65;

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 \$60 or less; or

(B) by a producer that produces less than an average of <sup>35,000</sup>30,000 barrels of oil a day, in total, from leases or properties located north of 68 degrees North latitude and that produces oil or gas that qualifies for a reduction in the gross value of the point of production under AS 43.55.160(f) may not be less than

(i) 10 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 \$100;

(ii) nine 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 \$95 but not over \$100;

(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;



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(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; 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

1 point of production when the average price per barrel for Alaska North  
 2 Slope crude oil for sale on the United States West Coast during the  
 3 calendar year for which the tax is due is over \$75 [\$17.50] but not over  
 4 \$80 [\$20];

5 (iv) seven [(D) ONE] percent of the gross value at the  
 6 point of production when the average price per barrel for Alaska North  
 7 Slope crude oil for sale on the United States West Coast during the  
 8 calendar year for which the tax is due is over \$70 [\$15] but not over  
 9 \$75;

10 (v) six 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 over \$65 but not over \$70;

14 (vi) five 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 \$60 but not over \$65  
 18 [\$17.50]; or

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

23 (B) by a producer that produces less than an average of  
 24 <sup>35,000</sup> ~~30,000~~ barrels of oil a day, in total, from leases or properties located north  
 25 of 68 degrees North latitude and that produces oil that qualifies for a  
 26 reduction in the gross value of the point of production under  
 27 AS 43.55.160(f) may not be less than

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

1                    (ii) nine percent of the gross value at the point of  
 2                    production when the average price per barrel for Alaska North  
 3                    Slope crude oil for sale on the United States West Coast during the  
 4                    calendar year for which the tax is due is over \$95 but not over  
 5                    \$100;

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

10                   (iv) seven 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 over \$85 but not over \$90;

14                   (v) six 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                   (vi) five 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                   or

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

27  
 28                   Page 12, lines 6 - 7:

29                   Delete "zero percent, one percent, two percent, three percent, or four percent, as  
 30                   applicable,"

31                   Insert "the [ZERO PERCENT, ONE PERCENT, TWO PERCENT, THREE

1 PERCENT, OR FOUR] percent [, AS] applicable under AS 43.55.011(f) [,]"

2

3 Page 13, lines 30 - 31:

4 Delete "zero percent, one percent, two percent, three percent, or four percent, as  
5 applicable,"

6 Insert "the [ZERO PERCENT, ONE PERCENT, TWO PERCENT, THREE  
7 PERCENT, OR FOUR] percent [, AS] applicable under AS 43.55.011(f) [,]"

<b>Minimum Tax threshold - Base Tax and Minimum Tax using Current Assumptions*</b>	
West Coast Price (\$/tax bbl)	\$76
Transportation (\$/tax bbl)	<u>-\$10</u>
Wellhead Value (\$/tax bbl)	\$66
Lease Expenditures (\$/tax bbl)	<u>-\$36</u>
Net Value (\$/tax bbl)	\$30
Base Tax Rate (%)	x 35%
Base Production Tax before Credits (\$/tax bbl)	\$10.50
Sliding Scale Credit per-Tax-Barrel (\$/tax bbl)	<u>-\$8</u>
<b>Base Production Tax after credits (\$/tax bbl)</b>	<b>\$2.50</b>
Minimum Tax Rate (%)	4%
Wellhead Value (\$/tax bbl)	x \$66
<b>Minimum Tax (\$/tax bbl)</b>	<b>\$2.64</b>

Greater of base production tax after credits and minimum tax

\*Current assumptions include transport costs of \$10 per barrel and deductible lease expenditures of \$36 per taxable barrel, that are typical but will not match exactly Fall 2015 assumptions. For this table, net value is the same as "production tax value," defined in AS 43.55.160. The effective tax rates in this table are calculated by dividing the production tax after credits by the production tax value.

Note that in the illustration above, some but not the entirety of sliding scale per-taxable-barrel credits can be used. Because the minimum tax is 14 cents higher per barrel than the base production tax after credits, and the sliding scale credit cannot reduce the tax liability below the minimum tax, this means that the sliding scale credit is reduced by 14 cents per barrel, from \$8 to \$7.86 per barrel. Under these assumptions, at prices greater than \$76 per barrel, producers are able to take their entire sliding scale credit without going below the minimum tax. The exact price will vary depending on specific economics for different fields and producers

Using the same assumptions for transportation costs and lease expenditures, non-GVR fields lose the entire \$8 per-taxable-barrel credit at oil prices of \$50.62 per barrel and lower. At this price, the base tax before credits equals the minimum tax. This is illustrated in the calculation below. The exact price will vary depending on specific economics for different fields and producers.

18

29-GH2609\F.2  
Nauman  
4/6/16

**AMENDMENT**

OFFERED IN THE HOUSE

BY REPRESENTATIVES KAWASAKI,

TO: CSHB 247(FIN), Draft Version "F"

GARA, AND GUTTENBERG

1 Page 6, line 23:

2 Delete "[ (A) ] four"

3 Insert "**five** [ (A) FOUR ]"

4

5 Page 6, lines 24 - 27:

6 Delete "**, except that a credit authorized under this chapter may reduce the tax**  
7 **under this subsection to less than four percent, but not to less than two percent of the**  
8 **gross value at the point of production**"

9

10 Page 6, line 30:

11 Delete "**four**"

12 Insert "**five**"

13

14 Page 6, line 30, through page 7, line 2:

15 Delete "**, except that a credit authorized under this chapter may reduce the tax**  
16 **under this subsection to less than four percent, but not to less than two percent of the**  
17 **gross value at the point of production**"

18

19 Page 34, line 18, following "APPLICABILITY.":

20 Insert "(a)"

21

22 Page 34, following line 19:

23 Insert a new subsection to read:

1           "(b) The limitations on the use of tax credits added in AS 43.55.019(e), as amended  
2 by sec. 13 of this Act, AS 43.55.020(a), as amended by sec. 14 of this Act, AS 43.55.023(c),  
3 as amended by sec. 17 of this Act, AS 43.55.024(f), as amended by sec. 21 of this Act,  
4 AS 43.55.024(g), as amended by sec. 22 of this Act, and AS 43.55.025(q), added by sec. 25 of  
5 this Act, apply to credits applied to reduce a tax liability for a tax year starting on or after the  
6 effective date of secs. 13, 14, 17, 21, 22, and 25 of this Act."

19

29-GH2609\F.38  
Shutts  
4/7/16

**AMENDMENT**

OFFERED IN THE HOUSE

BY REPRESENTATIVE GUTTENBERG

TO: CSHB 247(FIN), Draft Version "F"

GARA KAWASAKI

1 Page 3, following line 4:

2 Insert a new bill section to read:

3 **\*\* Sec. 6.** AS 40.25.100(a) is amended to read:

4 (a) Information in the possession of the Department of Revenue that discloses  
5 the particulars of the business or affairs of a taxpayer or other person, including  
6 information under AS 38.05.020(b)(11) that is subject to a confidentiality agreement  
7 under AS 38.05.020(b)(12), is not a matter of public record, except as provided in  
8 **AS 43.05.230(i) - (m)** [AS 43.05.230(i) OR (k)] or for purposes of investigation and  
9 law enforcement. The information shall be kept confidential except when its  
10 production is required in an official investigation, administrative adjudication under  
11 AS 43.05.405 - 43.05.499, or court proceeding. These restrictions do not prohibit the  
12 publication of statistics presented in a manner that prevents the identification of  
13 particular reports and items, prohibit the publication of tax lists showing the names of  
14 taxpayers who are delinquent and relevant information that may assist in the collection  
15 of delinquent taxes, or prohibit the publication of records, proceedings, and decisions  
16 under AS 43.05.405 - 43.05.499."

17

18 Renumber the following bill sections accordingly.

19

20 Page 4, following line 1:

21 Insert a new bill section to read:

22 **\*\* Sec. 8.** AS 43.05.230 is amended by adding new subsections to read:

23 (d) The following information for persons claiming a credit under AS 43.55 or



1 applying to the department for the purchase of a transferable tax credit certificate  
2 under AS 43.55.028 is public:

3 (1) the name of each person

4 (A) claiming a credit under AS 43.55;

5 (B) from whom the department purchases a transferable tax  
6 credit certificate under AS 43.55.028; and

7 (2) the amount of each

8 (A) credit under AS 43.55 claimed by the person in the  
9 calendar year, except for the credit in AS 43.55.024(j); and

10 (B) transferable tax credit certificate purchased from the person  
11 under AS 43.55.028.

12 (m) A person may not claim a credit under AS 43.55 or apply to the  
13 department for the purchase of a transferable tax credit certificate under AS 43.55.028  
14 unless the person has signed an agreement with the department acknowledging the  
15 application of (l) of this section."

16  
17 Renumber the following bill sections accordingly.

18  
19 Page 34, line 18:

20 Delete "Sections 7 - 9, 26, and 27"

21 Insert "Sections 9 - 11, 28, and 29"

22  
23 Page 34, lines 23 - 24:

24 Delete "sec. 43"

25 Insert "sec. 45"

26  
27 Page 34, line 25:

28 Delete "secs. 18, 19, 28, 36, and 37"

29 Insert "secs. 20, 21, 30, 38, and 39"

30  
31 Page 34, line 26:

- 1 Delete "sec. 43"
- 2 Insert "sec. 45"
- 3
- 4 Page 34, line 29:
- 5 Delete "sec. 43"
- 6 Insert "sec. 45"
- 7
- 8 Page 34, line 31:
- 9 Delete "sec. 43"
- 10 Insert "sec. 45"
- 11
- 12 Page 35, line 3:
- 13 Delete "sec. 43"
- 14 Insert "sec. 45"
- 15
- 16 Page 35, line 6:
- 17 Delete "sec. 43"
- 18 Insert "sec. 45"
- 19
- 20 Page 35, line 8:
- 21 Delete "sec. 43"
- 22 Insert "sec. 45"
- 23
- 24 Page 35, line 12:
- 25 Delete "sec. 34"
- 26 Insert "sec. 36"
- 27
- 28 Page 35, line 13:
- 29 Delete "sec. 43"
- 30 Insert "sec. 45"
- 31

1 Page 35, line 15:

2 Delete "sec. 43"

3 Insert "sec. 45"

4

5 Page 36, line 10:

6 Delete "Sections 24, 44, and 48"

7 Insert "Sections 26, 46, and 50"

8

9 Page 36, line 12:

10 Delete "Sections 18, 19, 28 - 30, 34 - 38, 40, 43, 46, and 47"

11 Insert "Sections 20, 21, 30 - 32, 36 - 40, 42, 45, 48, and 49"

12

13 Page 36, line 14:

14 Delete "secs. 50 and 51"

15 Insert "secs. 52 and 53"

20

29-GH2609\F.11  
Nauman/Shutts  
4/6/16

**AMENDMENT**

OFFERED IN THE HOUSE

BY REPRESENTATIVES KAWASAKI,

TO: CSHB 247(FIN), Draft Version "F"

GARA, AND GUTTENBERG

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

2 Insert "relating to confidential tax information in the possession of the  
3 Department of Revenue;"

4

5 Page 4, following line 1:

6 Insert new bill sections to read:

7 "\*\* Sec. 7. AS 43.05.230(f) is amended to read:

8 (f) A wilful violation of the provisions of this section or of a condition  
9 imposed under AS 43.55.040(1)(B) is punishable by a fine of not more than \$5,000, or  
10 by imprisonment for not more than two years, or by both. **The penalty under this**  
11 **subsection may be in addition to, and not in place of, an applicable criminal**  
12 **sanction under state or federal law.**

13 \* Sec. 8. AS 43.05.230 is amended by adding a new subsection to read:

14 (l) The department may disclose confidential tax information, documents, or  
15 other materials related to a credit for oil and gas investment, exploration, production,  
16 delivery, storage, or use against a tax imposed under AS 43.20 or AS 43.55 to a  
17 legislator, an agent of a legislator or a legislative committee, or a contractor of a  
18 legislator or a legislative committee if

19 (1) the information is disclosed during an executive session of a  
20 committee hearing or an executive session of a meeting of one house of the legislature  
21 as a committee of the whole;

22 (2) only legislators, agents, and contractors complying with the  
23 remainder of this subsection are in attendance at the committee meeting;

1 (3) written information, documents, or other materials are clearly  
2 labeled as confidential tax information;

3 (4) the legislator, agent, or contractor has executed an agreement with  
4 the department

5 (A) that acknowledges that tax information, documents, and  
6 materials received under this subsection are confidential by law;

7 (B) that acknowledges that it is illegal to publicly disclose  
8 confidential tax information, documents, or materials received under this  
9 subsection unless the information is otherwise publicly available; and

10 (C) in which the legislator, agent, or contractor agrees not to

11 (i) disclose the information received during the meeting  
12 or the contents of documents or materials viewed during a committee  
13 meeting under this section; and

14 (ii) remove any written information, documents, or  
15 materials from the physical location of the committee meeting."  
16

17 Renumber the following bill sections accordingly.

18  
19 Page 34, line 18:

20 Delete "Sections 7 - 9, 26, and 27"

21 Insert "Sections 9 - 11, 28, and 29"

22  
23 Page 34, lines 23 - 24:

24 Delete "sec. 43"

25 Insert "sec. 45"

26  
27 Page 34, line 25:

28 Delete "secs. 18, 19, 28, 36, and 37"

29 Insert "secs. 20, 21, 30, 38, and 39"

30  
31 Page 34, line 26:

- 1 Delete "sec. 43"
- 2 Insert "sec. 45"
- 3
- 4 Page 34, line 29:
  - 5 Delete "sec. 43"
  - 6 Insert "sec. 45"
  - 7
- 8 Page 34, line 31:
  - 9 Delete "sec. 43"
  - 10 Insert "sec. 45"
  - 11
- 12 Page 35, line 3:
  - 13 Delete "sec. 43"
  - 14 Insert "sec. 45"
  - 15
- 16 Page 35, line 6:
  - 17 Delete "sec. 43"
  - 18 Insert "sec. 45"
  - 19
- 20 Page 35, line 8:
  - 21 Delete "sec. 43"
  - 22 Insert "sec. 45"
  - 23
- 24 Page 35, line 12:
  - 25 Delete "sec. 34"
  - 26 Insert "sec. 36"
  - 27
- 28 Page 34, line 13:
  - 29 Delete "sec. 43"
  - 30 Insert "sec. 45"
  - 31

1 Page 35, line 15:

2 Delete "sec. 43"

3 Insert "sec. 45"

4

5 Page 36, line 10:

6 Delete "Sections 24, 44, and 48"

7 Insert "Sections 26, 46, and 50"

8

9 Page 36, line 12:

10 Delete "Sections 18, 19, 28 - 30, 34 - 38, 40, 43, 46, and 47"

11 Insert "Sections 20, 21, 30 - 32, 36 - 40, 42, 45, 48, and 49"

12

13 Page 36, line 14:

14 Delete "secs. 50 and 51"

15 Insert "secs. 52 and 53"

21

29-GH2609\F.23  
Shutts  
4/7/16

Gara Sutterby  
Lawson

AMENDMENT

OFFERED IN THE HOUSE

TO: CSHB 247(FIN), Draft Version "F"

1 Page 19, following line 29:

2 Insert a new bill section to read:

3 **\*\* Sec. 21.** AS 43.55.023 is amended by adding a new subsection to read:

4 (q) Notwithstanding that a qualified capital expenditure and a well lease  
5 expenditure may be a deductible lease expenditure for purposes of calculating the  
6 production tax value of oil, gas, or oil and gas under AS 43.55.160(a), a producer or  
7 explorer may not apply against the taxes due under this chapter a credit under this  
8 section for an expenditure incurred in the Cook Inlet sedimentary basin in the same tax  
9 year that a producer or explorer applies another credit under this section for an  
10 expenditure incurred in the Cook Inlet sedimentary basin."

11

12 Renumber the following bill sections accordingly.

13

14 Page 34, line 18:

15 Delete "26, and 27"

16 Insert "27, and 28"

17

18 Page 34, lines 23 - 24:

19 Delete "sec. 43"

20 Insert "sec. 44"

21

22 Page 34, line 25:

23 Delete "28, 36, and 37"



1           Insert "29, 37, and 38"

2

3   Page 34, line 26:

4           Delete "sec. 43"

5           Insert "sec. 44"

6

7   Page 34, line 29:

8           Delete "sec. 43"

9           Insert "sec. 44"

10

11   Page 34, line 31:

12           Delete "sec. 43"

13           Insert "sec. 44"

14

15   Page 35, line 3:

16           Delete "sec. 43"

17           Insert "sec. 44"

18

19   Page 35, line 6:

20           Delete "sec. 43"

21           Insert "sec. 44"

22

23   Page 35, line 8:

24           Delete "sec. 43"

25           Insert "sec. 44"

26

27   Page 35, line 12:

28           Delete "sec. 34"

29           Insert "sec. 35"

30

31   Page 35, line 13:

- 1 Delete "sec. 43"
- 2 Insert "sec. 44"
- 3
- 4 Page 35, line 15:
  - 5 Delete "sec. 43"
  - 6 Insert "sec. 44"
  - 7
- 8 Page 36, line 10:
  - 9 Delete "Sections 24, 44, and 48"
  - 10 Insert "Sections 25, 45, and 49"
  - 11
- 12 Page 36, line 12:
  - 13 Delete "28 - 30, 34 - 38, 40, 43, 46, and 47"
  - 14 Insert "29 - 31, 35 - 39, 41, 44, 47, and 48"
  - 15
- 16 Page 36, line 14:
  - 17 Delete "secs. 50 and 51"
  - 18 Insert "secs. 51 and 52"