Overview of SB 21
Oil & Gas
Production Tax

January 22, 2013
Alaska Department of Revenue

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

Hold Cook Inlet & Middle Earth Harmless

Main Sections: 3

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