AMENDMENT # 1

OFFERED IN THE SENATE

TO: SB 21

BY SENATOR GARDNER

Page 9, line 30, through page 11, line 3:
Delete all material.

Renumber the following bill sections accordingly.

Page 11, line 29, through page 12, line 17:
Delete all material.

Renumber the following bill sections accordingly.

Page 13, line 15, through page 16, line 25:
Delete all material.

Renumber the following bill sections accordingly.

Page 18, line 14, through page 19, line 4:
Delete all material.

Renumber the following bill sections accordingly.

Page 23, line 15:
Delete "Sections 2, 5, 6, 22 - 24, and 26"
Insert "Sections 2, 5, 6, 16 - 18, and 20"
Page 23, line 17:
Delete "Sections 3 and 21"
Insert "Sections 3 and 15 of this Act"

Page 23, line 18:
Delete "Sections 7, 11, 13, 14, and 25"
Insert "Section 7 - 10 and 19"

Page 23, lines 20 - 21:
Delete all material.

Page 23, line 24:
Delete "Sections 3, 7, 11, 13, 14, 17, 21, and 25"
Insert "Sections 3, 7 - 10, 12, 15, and 19"

Page 23, line 31:
Delete "Sections 1, 2, 5, 6, 9, 10, 12, 15, 20, 22 - 24, and 26"
Insert "Sections 1, 2, 5, 6, 16 - 18, and 20"

Page 24, line 2:
Delete "sec. 30"
Insert "sec. 24"
AMENDMENT #2

OFFERED IN THE SENATE
TO: SB 21

BY SENATOR GARDNER

1 Page 23, line 3, following "section,":
2 Insert "for the first seven years immediately following the commencement of
3 production subject to tax under AS 43.55.011(e),"
AMENDMENT #3

OFFERED IN THE SENATE

TO: SB 21

BY SENATOR GARDNER

Page 10, line 19, through page 11, line 3:
Delete all material.

Renumber the following bill sections accordingly.

Page 11, line 29:
Delete "sec. 11"
Insert "sec. 9"

Page 13, line 15, through page 16, line 25:
Delete all material.

Renumber the following bill sections accordingly.

Page 18, line 14, through page 19, line 4:
Delete all material.

Renumber the following bill sections accordingly.

Page 23, line 15:
Delete "Sections 2, 5, 6, 22 - 24, and 26"
Insert "Sections 2, 5, 6, 18 - 20, and 22"
Page 23, line 17:
Delete "Sections 3 and 21"
Insert "Sections 3 and 17 of this Act"

Page 23, line 18:
Delete "Sections 7, 11, 13, 14, and 25"
Insert "Sections 7, 9, 11, 12, and 21"

Page 23, line 20:
Delete "Sections 9, 10, 12, 15, and 20 of this Act apply"
Insert "Section 10 of this Act applies"

Page 23, line 24:
Delete "Sections 3, 7, 11, 13, 14, 17, 21, and 25"
Insert "Sections 3, 7, 9, 11, 12, 14, 17, and 21"

Page 23, line 31:
Delete "Sections 1, 2, 5, 6, 9, 10, 12, 15, 20, 22 - 24, and 26"
Insert "Sections 1, 2, 5, 6, 10, 18 - 20, and 22"

Page 24, line 2:
Delete "sec. 30"
Insert "sec. 26"
AMENDMENT

OFFERED IN THE SENATE
BY SENATOR GARDNER
TO: SB 21

1 Page 1, line 2, following "rate;":
2 Insert "relating to the minimum tax on oil and gas production;"

4 Page 2, following line 18:
5 Insert a new bill section to read:
6 "* Sec. 3. AS 43.55.011(f) is repealed and reenacted to read:
7 (f) Except for oil and gas subject to (i) of this section and gas subject to (o) of
this section, the provisions of this subsection apply to oil and gas produced from each
lease or property within a unit or nonunitized reservoir that has cumulatively produced
1,000,000,000 BTU equivalent barrels of oil or gas by the close of the most recent
calendar year and from which the average daily oil and gas production from the unit or
nonunitized reservoir during the most recent calendar year exceeded 100,000 BTU
equivalent barrels. Notwithstanding any contrary provision of law, a producer may not
apply tax credits to reduce its total tax liability under (e) of this section for oil and gas
produced from all leases or properties within the unit or nonunitized reservoir below
10 percent of the total gross value at the point of production of that oil and gas. If the
amount of tax calculated by multiplying the tax rate in (e) of this section by the total
production tax value of the oil and gas taxable under (e) of this section produced from
all of the producer's leases or properties within the unit or nonunitized reservoir is less
than 10 percent of the total gross value at the point of production of that oil and gas,
the tax levied by (e) of this section for that oil and gas is equal to 10 percent of the
total gross value at the point of production of that oil and gas. In this subsection, "total
gross value at the point of production" means the gross value at the point of
production as adjusted by AS 43.55.160(f), if applicable."

Reumber the following bill sections accordingly.

Page 5, line 27:
Delete "sec. 4"
Insert "sec. 5"

Page 6, line 19, through page 7, line 5:
Delete all material and insert:

"(B) for oil and gas produced from leases or properties subject
to AS 43.55.011(f), \textbf{10 percent of the gross value at the point of production}
of that oil and gas [THE GREATEST OF}

(i) ZERO;

(ii) \textbf{ZERO PERCENT, ONE PERCENT, TWO PERCENT, THREE PERCENT, OR FOUR PERCENT, AS APPLICABLE, OF THE GROSS VALUE AT THE POINT OF PRODUCTION OF THE OIL AND GAS PRODUCED FROM THE LEASES OR PROPERTIES DURING THE MONTH FOR WHICH THE INSTALLMENT PAYMENT IS CALCULATED}; OR

(iii) \textbf{THE SUM OF 25 PERCENT AND THE TAX RATE CALCULATED FOR THE MONTH UNDER AS 43.55.011(g) MULTIPLIED BY THE REMAINDER OBTAINED BY SUBTRACTING 1/12 OF THE PRODUCER'S ADJUSTED LEASE EXPENDITURES FOR THE CALENDAR YEAR OF PRODUCTION UNDER AS 43.55.165 AND 43.55.170 THAT ARE DEDUCTIBLE FOR THE OIL AND GAS UNDER AS 43.55.160 FROM THE GROSS VALUE AT THE POINT OF PRODUCTION OF THE OIL AND GAS PRODUCED FROM THOSE LEASES OR PROPERTIES DURING THE MONTH FOR WHICH THE INSTALLMENT PAYMENT IS CALCULATED],}"
Page 9, line 30:
Delete "sec. 7"
Insert "sec. 8"

Page 11, line 29:
Delete "sec. 11"
Insert "sec. 12"

Page 23, line 15:
Delete "Sections 2, 5, 6, 22 - 24, and 26"
Insert "Sections 2, 3, 6, 7, 23 - 25, and 27"

Page 23, line 17:
Delete "Sections 3 and 21"
Insert "Sections 4 and 22 of this Act"

Page 23, line 18:
Delete "Sections 7, 11, 13, 14, and 25"
Insert "Sections 8, 12, 14, 15, and 26"

Page 23, line 20:
Delete "Sections 9, 10, 12, 15, and 20"
Insert "Sections 10, 11, 13, 16, and 21"

Page 23, line 24:
Delete "Sections 3, 7, 11, 13, 14, 17, 21, and 25"
Insert "Sections 4, 8, 12, 14, 15, 18, 22, and 26"

Page 23, line 31:
Delete "Sections 1, 2, 5, 6, 9, 10, 12, 15, 20, 22 - 24, and 26"
1 Insert "Sections 1, 2, 3, 6, 7, 10, 11, 13, 16, 21, 23 - 25, and 27"

2

3 Page 24, line 2:

4 Delete "sec. 30"

5 Insert "sec. 31"
AMENDMENT #5

OFFERED IN THE SENATE
BY SENATOR GARDNER

TO: SB 21

Page 1, lines 1 - 2:
Delete "relating to appropriations from taxes paid under the Alaska Net Income Tax Act;"

Page 1, line 12, through page 2, line 18:
Delete all material and insert:

"* Section 1. AS 43.55.011(g) is amended to read:

(g) For each month of the calendar year for which the producer's average monthly production tax value under AS 43.55.160(a)(2) of a [PER] BTU equivalent barrel of the taxable oil and gas is more than $30, the amount of tax for purposes of (e)(2) of this section is determined by multiplying the monthly production tax value of the taxable oil and gas produced during the month by the tax rate calculated as follows:

(1) if the producer's average monthly production tax value of a [PER] BTU equivalent barrel of the taxable oil and gas for the month is not more than $62.50 [$92.50], the tax rate is 0.4 percent multiplied by the number that represents the difference between that average monthly production tax value of a [PER] BTU equivalent barrel and $30; [OR]

(2) if the producer's average monthly production tax value of a [PER] BTU equivalent barrel of the taxable oil and gas for the month is more than $62.50 but not more than $92.50, the tax rate is the sum of 13 [25] percent and the product of 0.3 [0.1] percent multiplied by the number that represents the difference between the average monthly production tax value of a [PER] BTU equivalent barrel and
$62.50; or

(3) if the producer's average monthly production tax value of a BTU equivalent barrel of the taxable oil and gas for the month is more than $92.50, the tax rate is the sum of 22 percent and the product of 0.1 percent multiplied by the number that represents the difference between the average monthly production tax value of a BTU equivalent barrel and $92.50, except that the sum determined under this paragraph may not exceed 35 [50] percent."

Renumber the following bill sections accordingly.

Page 5, line 27:
Delete "sec. 4"
Insert "sec. 3"

Page 6, lines 11 - 13:
Delete "[THE SUM OF] 25 percent of [AND THE TAX RATE CALCULATED FOR THE MONTH UNDER AS 43.55.011(g) MULTIPLIED BY]"
Insert "the sum of 25 percent and the tax rate calculated for the month under AS 43.55.011(g) multiplied by"

Page 6, lines 26 - 28:
Delete "[THE SUM OF] 25 percent of [AND THE TAX RATE CALCULATED FOR THE MONTH UNDER AS 43.55.011(g) MULTIPLIED BY]"
Insert "the sum of 25 percent and the tax rate calculated for the month under AS 43.55.011(g) multiplied by"

Page 7, lines 9 - 11:
Delete "[THE SUM OF] 25 percent of [AND THE TAX RATE CALCULATED FOR THE MONTH UNDER AS 43.55.011(g) MULTIPLIED BY]"
Insert "the sum of 25 percent and the tax rate calculated for the month under AS 43.55.011(g) multiplied by"
Page 7, lines 19 - 21:

Delete "[THE SUM OF] 25 percent of [AND THE TAX RATE CALCULATED FOR THE MONTH UNDER AS 43.55.011(g) MULTIPLIED BY]"

Insert "the sum of 25 percent and the tax rate calculated for the month under AS 43.55.011(g) multiplied by"

Page 8, line 25, through page 9, line 11:

Delete all material.

Renumber the following bill sections accordingly.

Page 9, line 30:

Delete "sec. 7"

Insert "sec. 5"

Page 11, line 29:

Delete "sec. 11"

Insert "sec. 9"

Page 21, line 10, though page 22, line 31:

Delete all material and insert:

"* Sec. 20. AS 43.55.160(a), as amended by sec. 19 of this Act, is amended to read:

(a) Except as provided in (b) and (f) of this section, for the purposes of

(1) AS 43.55.011(e), the annual production tax value of the taxable oil, gas, or oil and gas subject to this paragraph produced during a calendar year is the gross value at the point of production of the oil, gas, or oil and gas taxable under AS 43.55.011(e), less the producer's lease expenditures under AS 43.55.165 for the calendar year applicable to the oil, gas, or oil and gas, as applicable, produced by the producer from leases or properties, as adjusted under AS 43.55.170; this paragraph applies to
(A) oil and gas produced from leases or properties in the state that include land north of 68 degrees North latitude, other than gas produced before 2022 and used in the state;

(B) oil and gas produced from leases or properties in the state outside the Cook Inlet sedimentary basin, no part of which is north of 68 degrees North latitude; this subparagraph does not apply to

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

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

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

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

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

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

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

(2) AS 43.55.011(g), the monthly production tax value of the taxable

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

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

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

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

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

Renumber the following bill sections accordingly.

Page 23, line 1:
Delete "a new subsection"
Page 23, following line 10:

Insert a new subsection to read:

"(g) A separate annual production tax value must be calculated under (a)(1) of this section for

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

(2) oil and gas produced from leases or properties in the state outside the Cook Inlet sedimentary basin, no part of which is north of 68 degrees North latitude, during a calendar year before or during the last calendar year under AS 43.55.024(b) for which the producer could take a tax credit under AS 43.55.024(a); this paragraph does not apply to

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

(B) oil and gas subject to AS 43.55.011(p);

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

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

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

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

(7) oil and gas produced from leases or properties in the state no part of which is north of 68 degrees North latitude, other than oil or gas described in (2), (3), (4), (5), or (6) of this subsection."

Page 23, line 12:

Delete "AS 43.55.011(g), 43.55.023(i), and 43.55.160(c) are"
Insert "AS 43.55.023(i) is"

Page 23, line 15:
Delete "Sections 2, 5, 6, 22 - 24, and 26"
Insert "Sections 1, 4, 20, 21, and 23"

Page 23, line 17:
Delete "Sections 3 and 21"
Insert "Sections 2 and 19 of this Act"

Page 23, line 18:
Delete "Sections 7, 11, 13, 14, and 25"
Insert "Sections 5, 9, 11, 12, and 22"

Page 23, line 20:
Delete "Sections 9, 10, 12, 15, and 20"
Insert "Sections 7, 8, 10, 13, and 18"

Page 23, line 24:
Delete "Sections 3, 7, 11, 13, 14, 17, 21, and 25"
Insert "Sections 2, 5, 9, 11, 12, 15, 19, and 22"

Page 23, line 31:
Delete "Sections 1, 2, 5, 6, 9, 10, 12, 15, 20, 22 - 24, and 26"
Insert "Sections 1, 4, 7, 8, 10, 13, 18, 20, 21, and 23"

Page 24, line 2:
Delete "sec. 30"
Insert "sec. 27"