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SENATOR LYDA GREEN

Hello Friends!

Memorial Day is upon us and I hope you all enjoy and celebrate with family and friends. Please remember while you celebrate our veterans who have served and all of the men and women who have given the ultimate sacrifice defending the freedom of our Nation.

I am very happy to be spending the Memorial Day Break in the Valley with my family and in my community. Several events will be taking place over the weekend including the Memorial Day Observance Ceremonies held at the Veterans Wall of Honor, located next to the Mat-Su Visitor Center. I hope to see you all there!

Sincerely,

Lyda

New Oil and Gas Tax Legislation Clears First Hurdle and Passes Senate

SB 2001, the oil and gas tax legislation proposed by Governor Murkowski, passed the Senate today after nearly two weeks of deliberations between Senate Majority Members. This legislation proposed to eliminate the economic limit factor (ELF) from being used to calculate the production tax owed to the State by companies that produce oil and gas in Alaska. SB 2001 creates a new oil and gas production tax based on a percentage of net profit, after deducting capital and operating expenditures.

The version of SB 2001 that left the Senate changed the Governor's 20/20 proposal (20% tax, 20% credit) to a 22.5% tax on the net income and a 20% credit, which applies to future capital costs companies will incur after the point of production. Other credits that encourage investors include an additional allowance of up to \$12 million per company for companies producing less than 50,000 barrels per day, which is scaled down to zero between 50,000 and 100,000 barrels per day. The allowance would expire in 2016. In addition, as a tran-

sition provision, there would be a 20% credit for capital costs incurred over the period April 1, 2001 through April 1, 2006, recoverable at \$1 for every \$2 in capital expenditures. Transition costs can not be recovered after 2013.

The legislature has worked day and night for months now to develop an understanding of this complex issue. Ultimately, we all have one goal in mind-to develop a fair tax scheme that is in the best interest of Alaska and will stand the test of time for generations to come. I am confident the final version we sent to the House is in the best interest of Alaska. SB 2001 is the product of a lot of hard work, months of deliberations, a multitude of expert advice and cooperation among the Senate.

To learn more about SB 2001 or to read its' supporting documents please visit www.legis.state.ak.us. Click on bill search, type in SB 2001 and take a look at the bill, bill history, fiscal notes, or amendments.

Project

Appropriation

District 13 and 14 Road Projects:

Knik Goosebay-Fairview Traffic Signal	700,000
Area-wide Right-of-way Acquisition	2,000,000
Parks Hwy Frontage Road to Seward Meridian	2,000,000
Wasilla Substandard Road Repairs	1,000,000
Crusey Street Improvements	450,000
Bogard/Seldon Extension	3,400,000
Ferry	4,250,000
Palmer Road Improvements	1,300,000
Emergency Access Roads	250,000
Lucille Street Rehabilitation	250,000
Borough-wide Road Upgrades	4,000,000
Trunk Road Extension to Parks Hwy	750,000
Trunk Road Reconstruction	26,000,000
Hatcher Pass Ski Area	850,000
Lake Lucille Road, Parks Hwy to Schrock Rd.	1,700,000
Engstrom Road Paving	1,000,000
Palmer-Wasilla Hwy Improvements	12,000,000

Mat-Su Area wide Road Projects:

Point Mackenzie Road-Burma Road to Port	15,350,800
Clark Wolverine Road Mile 0-1.6	150,000
Vine Road/Parks Hwy Intersection	500,000
Big Lake/Burma Road EIS and Design	5,000,000
Big Lake Road/Horse Shoe Lake Road	20,000
Big Lake Road/Rogers Road	20,000
Knik Arm Bridge	93,600,000
Fairview Road Service Area	50,000
South Big Lake Boat Launch	25,000

FY 07 District 13 and 14 Capital Project Detail

<u>Project</u>	<u>Appropriation</u>
Palmer Senior Citizens Center	350,000
Fishhook Fire Station	100,000
Colony Schools Video Surveillance	75,000
Palmer Steel Water Main Replacement	1,016,964
Plants Materials Center-Potato Production	250,000
Plant Materials Center-Facility Repair	200,000
Palmer Justice Center Purchase and Remodel	10,000,000
Palmer-Wasilla Hwy Sewer Extension	500,000
Phase III Bumpus Well	500,000
Sexual Abuse Task Force Investigator	75,000
Sports Complex Parking Lot Paving	250,000
Sports Complex Portable Floor	75,000
Wideband Mobile Communication Pilot	4,250,000
Mat-Su Valley Sportsmen Ventilation	200,000
Alaska Family Services Complex Construction	500,000
MATSAR ATV Search and Rescue	7,500
Vietnam Veterans Moving Wall	5,000
Agricultural Processing Center	250,000
Central Mat-Su Fire Training Complex	43,000
Susitna Sockeye Escapement Estimation	1,000,000
Mat-Su Community College Campus Code ADA	175,000