

COMPARISON OF PPT BILL VERSIONS--HIGHLIGHTS

4/25/2006

source: DOR

	governor's bill	House Resources CS Version L	Senate Resources CS Version C	Senate Finance CS Version R
tax rate	20% .011(a)--page 3	20% .011(a)--page 3	25% .011(e)--page 3	22.5% general 5% on Cook Inlet oil .011(e)--pages 3-4
credit rate	20% .024(a)--page 5	20% .024(a)--age 8	20% .024(a)--page 7	25% .024(a)--page 7
private royalty tax rate	no special rate	5% .011(e)--page 3-4	1.5% (Cook Inlet), 5% other .011(f)--page 3	5% oil & 1.67% gas Report from Commish .011(f)--page 4 & .180 pg 26
Gas (GRE)	n/a		n/a	Gas Revenue Exclusion in 160 equivalent to rate approximating 7%(also applies to private royalty rate creating equivalent rate below 1.5%) .160(a) page 19
progressivity surcharge	none	over \$50/bbl WTI, (.3% x (WTI - \$50) x gross; <\$110 rate is 37.5% .011(f)--page 4	over \$40/bbl, (ANSwc - \$40) x .002 x ANSwh x .75 x bbls .011(g)--page 4	over \$50/bbl, (ANSwc - \$50) x .002 x ANSwh x .775 x bbls (oil only) .011(g) and (h)--pages 4-5
special gas progressivity?	n/a	yes .011(i)--page 4-5	no	no
progressivity deductible?	n/a	yes .160(a)--page 18	yes, but not clear	no .160(d)(2)(O)--page 22
transition	5 yr lookback of capex .160(g)--page 15	3 mo. of capex & opex, ? Sec. 42 uncodified--page 30	5 yrs.lookback capex 2 for 1 recoupment .024(i)--page 10	5 yrs.lookback capex 2 for 1 recoupment .024(i)--pages 10--11
transition treatment	deduction over 6 yr, if ANSwc >=\$40 .160(g)--page 15	deduction over 9 mo, no oil price test Sec. 42 uncodified--page 30	credit; no oil price test .024(i)--page 10	20% credit; no oil price test .024(i)--pages 10-11
sunset of transition	no	n/a	3/31/2013 .024(i)--page 10	3/31/2013 .024(i)--page 11
base allowance	\$73M deduction .160(i)--page 16	\$12M credit (equates to \$60M ded.) .170(a)--page 23	5000 bbl plan .160(g)--page 19--20	Revised 5000 bbl equivalent credit capped at 14 million .170(a)--pages 25-26
sunset of base allowance	none	3/31/2016 (exp incurred) .170(e)--page 24	12/31/2013 .160(h)--page 20	3/31/2016 w/commissioner report .170(a)--page 25, .180 pg 26-27
safe harbor	90%, annual true-up, no interest .020(a)--page 3	90% with interest .020(g)--page 7	95% quarterly true-up, no interest .020(a)--page 5	95%, annual true-up, no interest .020(a)--pages 5-6
pmt < safe harbor??	interest only .020(a)--page 3	5% penalty + interest .020(h)--page 7	interest only .020(a)--page 5	interest only .020(a)--pages 5-6
effective date	7/1/2006 page 20	4/1/2006 Section 45--page 30	4/1/2006 Sec. 38--page 28	4/1/2006 Sec. 40 --page 33
transition payment	none	6 mos. pymt on old system; true-up in 7th mo.	6 mos. pymt on old system; true-up in 7th mo.	6 mos. pymt on old system; true- up in 7th mo.

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	governor's bill	House Resources CS Version L sec. 39--page 28	Senate Resources CS Version C sec. 33--page 26	Senate Finance CS Version R sec. 37(g)--pages 31-32
spill surcharge total spill surcharge split (.201/.300) spill surcharge payable	no change (5 cents) 2/3 no change	no change (5 cents) 1/4 increase 1 cent page 24--25	increase 1 cent, to 6 cents 1/5 increase 2 cents page 22-23	increase 1 cent, to 6 cents 1/5 increase 2 cent .201, .300 pages 27--28
surcharge treatment	creditable against PPT page 17--18	not creditable, not ded. .160(d)(2)(L)--page 21	not creditable, not ded. .160(d)(2)(L)--page 17	not creditable, not ded. .160(d)(2)(L)--page 22
SB 185 credit	no change	extends 10 years; only usable against PPT .025(b), .025(f)--page 11-12	no change	extends 10 years; fixes \$20 m issue .025(b), .025(f)--page 12-14
abandonment	no provision	no credit .024(i)(2)--page 11	no credit; no deduction for abandonment on old production .024(h)(2)--page 9	no deduction or credit for abandonment on old production .160(d)(2)(P) page 22
credits usable	against PPT only .024(a)--page 3	against PPT only .024(a)--page 8	against PPT only? .024(c) --page 8	against PPT only .024(a) --page 7
credits transferable	yes--20% tax limit .024(d)--(e)--page 6	yes--20% tax limit .024(d)--(e)--page 8-9	yes--20% tax limit .024(d)--(e)--page 8-9	yes--20% tax limit .024(d)--(e)--page 8-9
credits refundable?	no	up to \$10M depends on investment .024(f)(5)--page 9-10	no	no
credits for annual loss	yes, at 20% .024(b)--page 5	yes, at 20% .024(b)--page 8	yes, at 25% .024(b)--page 7	yes, at 22.5% .024(b)--page 8
point of production	upstream of gas treatment upstream .900(7)--page 19	upstream of gas treatment upstream .900(7)--page 25-26	upstream of gas treatment upstream .900(7)--page 23	upstream of gas treatment upstream .900(7)--pages 28-29
DNR royalty value	yes .150(d)--page 11	yes .150(d)--page 17-18	yes: after determination .150(d)--page 14	yes: revised determination .150(d)--page 18
IRC sec. 482 as a tool	no	no	yes, including 5% penalty .160(f)--page 21	no
catastrophic oil spill deductible?	yes, if on lease (not precluded)	no .160(c) --page 19	yes, if on lease (not precluded)	yes, if on lease (not precluded)
DNR gets exploration Data				yes .024(a) page 8
020 (f) Sales Language				yes .020(f) page 7
NPSL regs after industry practice				yes .160(c)(1)(B) page 20