

House Bill 297

Sponsor Statement

House Bill 297 extends the January 1, 2007 sunset date on oil and gas credits for exploration expenses, to be applied against production taxes for development in Cook Inlet. The new expiration date will be July 1, 2010.

The legislation extends these credits for exploration wells and seismic data to all areas of the state south of 68 degrees, 15 minutes, North latitude, (south of the North Slope foothills).

The tax credits are intended to act as an incentive to encourage greater oil and gas exploration, especially in high prospect areas of the state. They are particularly important to Southcentral Alaska, where existing gas reserves are expected to be largely depleted within a decade. With this extension many of the most promising areas will now have additional incentives to explore for oil and gas.

There is a zero fiscal note associated with this legislation.