



THE STATE
of **ALASKA**
GOVERNOR MICHAEL J. DUNLEAVY

Department of Revenue

COMMISSIONER'S OFFICE

State Office Building
333 Willoughby Avenue, 11th Floor
PO Box 110400
Juneau, Alaska 99811-0400
Main: 907.465.2300
Fax: 907.465.2389

January 30, 2019

The Honorable Senator Cathy Giessel
Alaska Senate President
State Capitol Room 111
Juneau, AK 99801

The Chief Clerk
Alaska House of Representatives
Tom Stewart Legislative Office Building, Room 202
Juneau, AK 99801

Dear Senate President Giessel & Chief Clerk of the Alaska House of Representatives:

In 2016, the legislature passed and the governor signed HB247, an act related to oil and gas tax credits. Section 9 of this bill added a new annual report requirement from the Department of Revenue regarding tax credit certificates purchased in the previous calendar year:

Sec. 9. AS 43.05.230 is amended by adding a new subsection to read:

(A) For tax credit certificates purchased by the department in the preceding calendar year under AS 43.55.028, the department shall make the following information public by April 30 of each year:

(1) the name of each person from whom the department purchased a transferable tax credit certificate; and

(2) the aggregate amount of the tax credit certificates purchased from the person in the preceding calendar year.

We are providing this report in satisfaction of this requirement. This is the entirety of oil and gas tax credit certificates purchased by the Department of Revenue in calendar year 2018. The total amount purchased was \$2,816,500:

Taxpayer Name	Total 2018 Payment under AS 43.55.028
Cook Inlet Energy, LLC	\$ 2,816,500

As of January 1, 2019, the sum total of tax credit certificates for which repurchase had been requested is \$836,699,192. This is broken out as follows:

2016 Certificates	\$396,576,918
2017 Certificates	345,637,748
Conditional 2017 Certificates	41,609,848
<u>2018 Certificates</u>	<u>52,874,678</u>
Total	\$836,699,192

In addition, as of January 1, 2019, there were \$197,373,388 in certificates outstanding that fall into one of three categories:

- 1) Received by companies but repurchase had not been requested by December 31;
- 2) Transferred to another taxpayer who intends to use them to offset tax liability; or
- 3) Held by a taxpayer ineligible for cash repurchase due to producing more than 50,000 barrels of taxable oil equivalent per day.

I hope you find this information to be useful. Please do not hesitate to contact me if you have further questions.

Sincerely,



Bruce Tangeman
Commissioner