

Department of Revenue
Post-Filing Notice
Adopted and Filed Regulations Oil & Gas Production Tax

The Alaska Department of Revenue has adopted changes to regulations regarding depreciation and the weighted average cost of capital (WACC) for transportation of oil by a vessel and for LNG transportation facilities under the oil and gas production tax in 15 AAC 55.191, 15 AAC 55.193, 15 AAC 195, 15 AAC 55.196, and 15 AAC 55.800. The proposed changes were publicly noticed in October 2019. The regulations were adopted by the Commissioner of Revenue on November 19, 2019. The regulations have been reviewed and approved by the Department of Law. The regulations were filed by the Lieutenant Governor on November 25, 2019 and become effective January 1, 2020. The regulations will be published in Register 232, January 2020, of the Alaska Administrative Code.

The adopted regulations:

- Provide that depreciation and an allowance for a return on investment for vessels transporting oil and LNG transportation facilities will be determined as provided in 15 AAC 55.196;
- Repeal 15 AAC 55.195;
- Include a new Excel model, Computation of a Cost-of-Capital Allowance under 15 AAC 55.196, Incorporating Depreciation and Return on Invested Capital for Marine Vessels and Improvements, Edition 4.0, dated November 19, 2019 that has been adopted and published on the Tax Division's website at www.tax.alaska.gov.

To see the entire text of the final adopted and filed regulations select the following link:
www.tax.alaska.gov

December 10, 2019