



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

Department of Revenue
COMMISSIONER'S OFFICE

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February 5, 2021

The Honorable Peter Micciche
Alaska Senate President
State Capitol Room 111
Juneau, AK 99801

House Clerk
Crys Jones
Chief Clerk
Thomas Stewart Building, Room 202
Juneau, AK 99801

Dear Senate President Micciche & House Clerk:

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:

(I) 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. There were no oil and gas tax credit certificates purchased by the Department of Revenue in calendar year 2020.

As of January 1, 2021, the total tax credits for which purchase had been requested but not purchased is \$732,531,172¹.

¹ The amounts eligible for cash purchase by year cannot be provided in order to maintain taxpayer confidentiality. In many situations, fewer than three taxpayers represent the changes from last year to this year.

In addition, as of January 1, 2021, there were \$104,989,722 in certificates outstanding that fall into one of three categories:

- 1) Received by companies but purchase had not been requested by December 31, 2020;
- 2) Transferred to another taxpayer who intends to use them to offset tax liability;
or
- 3) Held by a taxpayer ineligible for cash purchase 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,

A handwritten signature in black ink that reads "Michael A. Barnhill". The signature is written in a cursive, slightly slanted style.

Michael A. Barnhill

Deputy Commissioner, Department of Revenue