

15 AAC 55.320 is proposed to be amended by adding a new subsection to read:

(c) If a tax credit claimed under AS 43.55.023(a) or (b) is based on an expenditure for an asset or other item that is intended to be used in, or in support of, oil or gas exploration, development, or production in the state but that has not yet been placed in service for that use at the time the application is made for a transferable tax credit certificate, the department will require the applicant to provide adequate (1) assurance that the item will in fact be placed in service for the intended use within a reasonable period of time; and (2) proof of financial security to assure repayment of the amount of the tax credit claimed, in the event the department determines after issuance of a certificate that the item has not been placed in service for the intended use within a reasonable period of time or that the applicant is not otherwise entitled to the amount of the tax credit. Among the relevant considerations that the department may consider in evaluating the adequacy of the assurance under (1) of this subsection and the proof under (2) of this subsection are the history and extent of the applicant's oil and gas exploration, development, and production activities and investments in the state.