

NOTICE OF  
PROPOSED CHANGES IN THE REGULATIONS  
of the  
DEPARTMENT OF REVENUE

The Department of Revenue proposes to adopt regulation changes to Title 15, Chapter 55 of the Alaska Administrative Code, dealing with the oil and gas production tax, prevailing value and the location differential.

The proposed changes include the following:

- (1) 15 AAC 55.171(f), dealing with the prevailing value of oil is proposed to be amended by changing the criteria for selection of contracts to be used in determining the location differential for ANS sold in the state of Alaska.
- (2) 15 AAC 55.171(f), dealing with the prevailing value of oil, is proposed to be amended by adopting a provision that permits the department to use an alternative method to determine the location differential.

You may comment on the proposed regulation changes, including the potential costs to private persons of complying with the proposed changes, by submitting written comments to:

Gary A. Rogers  
Alaska Department of Revenue, Tax Division  
550 W. 7th Ave., Ste. 500  
Anchorage, AK 99501

Or, via email to: [gary.rogers@alaska.gov](mailto:gary.rogers@alaska.gov) or by fax to: (907) 269-6644. Written comments must be received no later than 5:00 p.m., March 1, 2010. Written comments received are public records and are subject to public inspection.

For a copy of the proposed regulation changes, contact the Tax Division at (907) 269-6620 or go to <http://www.tax.alaska.gov>.

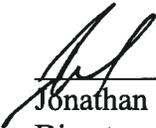
After the public comment period ends, the Department of Revenue will either adopt these or other provisions dealing with the same subject, without further notice, or decide to take no action on them. The language of the final regulations may be different from that of the proposed regulations. **YOU SHOULD COMMENT DURING THE TIME ALLOWED IF YOUR INTERESTS COULD BE AFFECTED.**

**Statutory Authority:** AS 43.05.080; AS 43.55.020; AS 43.55.110.

**Statutes Being Implemented, Interpreted, or Made Specific:** AS 43.55.011; AS 43.55.020; AS 43.55.150; AS 43.55.160.

**Fiscal Information:** The proposed regulation changes are not expected to require an increased appropriation.

DATE: January 27, 2010



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Jonathan E. Iversen,  
Director  
Tax Division,  
Department of Revenue

ADDITIONAL REGULATIONS NOTICE INFORMATION  
(AS 44.62.190(d))

1. Adopting Agency: Department of Revenue
2. General subject of regulation: Alaska Oil and Gas Production Tax
3. Citation of regulations: 15 AAC 55.171(f) and 15 AAC 55.151.
4. Reason for the proposed action:
  - compliance with federal law
  - compliance with new or changed state statutes
  - compliance with court order
  - development of program standards
5. RDU/component affected: Tax Division, Revenue Operations
6. Cost of implementation to the state agency and available funding (in thousands of dollars):

	Initial Year FY 2010	Subsequent Years
Operating Cost	\$ <u>0</u>	\$ <u>0</u>
Capital Cost	\$ <u>0</u>	\$ <u>0</u>
Federal receipts	\$ <u>0</u>	\$ <u>0</u>
General fund match	\$ <u>0</u>	\$ <u>0</u>
General fund	\$ <u>0</u>	\$ <u>0</u>
General fund/ program receipts	\$ <u>0</u>	\$ <u>0</u>
General fund/ mental health	\$ <u>0</u>	\$ <u>0</u>
Other funds (specify)	\$ <u>0</u>	\$ <u>0</u>

7. The name of the contact person for the regulations:

Name: Gary A. Rogers  
 Title: Oil & Gas Revenue Specialist  
 Address: 550 W. 7<sup>th</sup> Ave., Ste. 500, Anchorage, AK 99501  
 Telephone: (907) 269-1016  
 FAX: (907) 269-6644  
 E-mail: gary.rogers@alaska.gov

8. The origin of the proposed action:

staff of state agency  
 federal government  
 general public  
 petition for regulation change  
 other (please list) \_\_\_\_\_

9. DATE: January 27, 2010

Prepared by: /s/Gary A. Rogers  
 Oil & Gas Revenue Specialist  
 (907) 269-6620

The Department of Revenue, Tax Division, keeps a list of individuals and organizations interested in its regulations. Those on the list will automatically be sent a copy of all of the Tax Division's Notices of Proposed Regulation Changes. To be added to or removed from the list, send a request to:

Dave Flavin  
Department of Revenue, Tax Division  
550 W. 7<sup>th</sup> Ave., Ste. 500  
Anchorage, AK 99501-3566

giving your name, and either your e-mail address or mailing address, as you prefer for receiving such notices.

You may also add or unsubscribe yourself to the Department of Revenue (DOR) Tax Division Interested Parties List Server, by the following:

1. go to <http://list.state.ak.us/guest/RemoteAvailableLists>
2. click on "D" in the Mailing List Directory
3. Scroll down and click on [DOR-Tax-Division-Regs@list.state.ak.us](mailto:DOR-Tax-Division-Regs@list.state.ak.us)
4. A new window will open up – in the "Your E-mail address" box, type in the e-mail address you wish to receive the DOR Tax notices.
5. Click the button "Immediate Delivery" or "Unsubscribe". Immediate Delivery will add the e-mail address you entered into the list server immediately.
6. Click the "Submit" button.

The e-mail address you entered will immediately receive the DOR Tax Division "Welcome" notice explaining how the list serve works and also advises that you are now a member of the list serve. Please read this "Welcome" advisory – it contains important information regarding the list serve.

You may also unsubscribe, by following steps 1-6 above, except in step 5, please select the button "Unsubscribe". You will immediately receive an e-mail advisory stating that you will no longer receive e-mail notifications regarding the DOR Tax Division.

If you do not receive a welcome notice or unsubscribe notice, please contact Dave Flavin at (907) 269-6620.