

# Instructions for Credit and Certificate Applications under AS 43.55.023

Review Alaska Statute (AS) 43.55.023, AS 43.55.165 and regulations 15 AAC 55.250 through 15 AAC 55.381 to determine if an expenditure qualifies for a Tax Credit for Certain Losses and Expenditures under this section.

**Summary**, Complete header information and previous credit balance. Once the pertinent schedules are completed, the amounts for each credit will be linked to the summary page. Credits that are requested as a certificate will need to be selected and any adjustments to the certificate claim must be entered. Credits applied to the current year's tax liability will be entered in the last column. Enter credits that were not applied to tax or converted to a certificate that will be carried to the next calendar year in the last row.

**Schedule A for Qualified Capital Expenditure & Well Lease Expenditure Credit Under AS 43.55.023(a)(1) & (l)(1)**. In the header, enter the tax period for the associated expenditures claimed (for example January 1, 2010 – June 30, 2010). All other header information should be filled in automatically from the Summary Page. Next, enter the venture, unit, lease, property, segment, equity unit or other description and the amount of associated qualifying expenditures. The total for each credit will be carried to the Summary page automatically.

**Qualified Capital Expenditure & Well Lease Expenditure Credit Related to Exploration Under AS 43.55.023(a)(2) & (l)(2)**, complete Schedules B, B-1, B-2, B-3, and B-4.

**Schedule B** summarizes all exploration projects. In the header on Schedule B, enter the tax period for the associated expenditures claimed (for example January 1, 2010 – June 30, 2010). All other header information should be filled in automatically from the Summary Page. The total on Line 1 of Schedule B must be the sum of all Schedules B-1, Line 27 attached to the claim. The total for each credit on Line 7 is carried to the Summary page. A separate Schedule B-1, B-2, B-3, and B-4 must be filed for EACH exploration project claimed.

**Schedule B-1** provides the details for the individual projects. Complete the project information in the

header of B-1 and the accounting summary for the project during the claimed period.

**Schedule B-2** is the agreement required to receive a credit under AS 43.55.023(a)(2) & (l)(2) to provide data sets to the Department of Natural Resources (DNR).

To receive credit under as 43.55.023(a)(2) or (l)(2), a producer or explorer must agree, in writing, to the applicable provisions of AS 43.55.025(f)(2) **and** submit to the Department of Natural Resources all data that would be required to be submitted under AS 43.55.025(f)(2). Also, 15 AAC 55.345(b)(5) states that in order to get the credit the Department must have both the producer's written agreement required under AS 43.55.023(a)(2) **and documentation that the producer has submitted to the Department of Natural Resources all data referred to in AS 43.55.023(a)(2)(B)**.

The Exploration Data Contact Person on this page should be the company person responsible to contact DNR and provide geological, geophysical, and engineering data.

**Schedule B-3** must be signed by the lessor of the mineral rights as authorization for data provided to the Alaska Department of Natural Resources (DNR) to be publicly released by the DNR in accordance with AS 43.55.025(f)(2)(C). If the lessor is the State of Alaska or the Federal government, a signature is not required, but the form must still be completed and the lessor should be identified as the State or Federal government.

**Schedule B-4** identifies the partners in the project and their percentages as required by 15 AAC 55.345(b)(3). Each partner will claim their own credit for their portion of allowable expenditures.

**Schedule C for a Carried-forward Annual Loss Credit Under AS 43.55.023(b)**.

The calculations and amounts claimed for this credit must be substantiated by the schedules from the annual tax return. For all segments other than producing properties in Cook Inlet and Gas Used in State, complete the calculation table shown. For

producing properties in Cook Inlet and Gas Used in State, complete the annual tax return. There are different calculations for each segment in which a loss occurred, read the applicable statutes and regulations for guidance.

**Schedule D for the Transitional Investment Expenditure (TIE) Credit under AS 43.55.023(i).**

This credit cannot be issued as a certificate.

**Schedule E**

Must be completed if a certificate is requested to verify that the required documentation has been filed. If something is not applicable to the current credit claim, check the box provided and complete the Notes column to explain why it is not applicable (for example if the expenditures were incurred for seismic exploration, no well completion report is required). If any of the information or documentation required was provided in conjunction with another claim and has not changed for the current claim, list the date(s) that it was provided, the file name(s), and the method that the documentation of the information was provided (i.e. via OTIS, email, mail, etc.) in the Notes column. Additional copies of the same documentation or information is not required.

Claim forms are encouraged to be submitted through the Tax Division's Online Tax Information System (OTIS) at [www.tax.alaska.gov](http://www.tax.alaska.gov), but may also be delivered or mailed to the address listed at the bottom of the page.

**OTHER FORMS & INFORMATION**

To report the sale or transfer of an Alaska Oil and Gas Production Tax Credit Certificate, use Form 315, Notice of Transfer of Alaska Oil and Gas Production Tax Credit.

To apply an Alaska Oil and Gas Tax Credit Certificate to production tax liabilities use Form 320, Alaska Oil and Gas Exploration Tax Credit Applied to Oil & Gas Production Tax.

To apply for the State of Alaska to purchase your Alaska Oil and Gas Tax Credit Certificate under AS 43.55.028, use Form 325.

These forms can be found on our website at [www.tax.alaska.gov](http://www.tax.alaska.gov) under the forms section for Oil and Gas Production Tax.

By submitting this application and claiming a credit under AS 43.55.023, it is understood that the Alaska

Department of Revenue may disclose to the Alaska Department of Natural Resources the information contained herein or obtained upon examination of books and records for the exploration expenditures for which the credit is claimed.

**QUESTIONS? CONTACT US AT:**

TAX DIVISION, PRODUCTION TAX GROUP  
ALASKA DEPARTMENT OF REVENUE  
550 W 7TH AVE STE 500  
ANCHORAGE AK 99501-3555  
Telephone 907-269-6620  
Fax 907-269-6644