

State of Alaska
Department of Revenue
Notice of Public Scoping and Workshop
Possible Updates and Revisions to Department Regulations
15 AAC 05: Administration of Revenue Laws
15 AAC 55: Oil and Gas Production Tax and Oil Surcharge

The Alaska Department of Revenue (department) is soliciting comments for new regulations and amendments to existing regulations that may be required as a result of the passage of HB 111, ch. 3, SSSLA 2017, during the 2017 legislative session regarding the Administration of Revenue Laws under 15 AAC 05, and the Oil and Gas Production Tax and Oil Surcharge under 15 AAC 55. The department may also consider other changes to regulations to conform to existing statutory requirements. As a first step in considering any proposed regulations, the department would like to gather comments from the public through this workshop scoping process.

The purpose of this notice is to ask the public and other interested parties for ideas and suggestions for possible changes and additions to these regulations before the department drafts specific revisions to the regulations for public review and comment. The department is not proposing any specific changes at this time. Any proposed regulatory revisions will subsequently be noticed, and made available for public review and comment in accordance with AS 44.62, the Administrative Procedures Act.

Background and Need for Regulations

Ch.3, SSSLA 2017 [HB 111] revised many of Alaska's oil and gas tax laws. Key components of the bill include the elimination of cash payments for carried-forward annual losses, substantive changes in the way carried-forward annual losses are used, limitations on that use, and possible reductions in value of the carried-forward annual losses over time. Additionally, HB 111 created a conditional tax credit certificate for certain exploration expenditures, changed the types of exploration expenditures that may be included in determining a carried-forward annual loss from a lease or property, changed how tax credits may be applied, phased out the oil and gas tax credit fund at AS 43.55.028, and changed the calculation of interest for delinquent taxes, among others.

Other minor changes, such as conforming changes to recognize new or former statutes may also be considered by the department.

Public Input

The department is asking affected members of the public and other interested parties, including the oil and gas industry, for input regarding regulations that may be required for both AS 43.05 and AS 43.55 that will make the administration of oil and gas production taxes more efficient. The department is asking for comments regarding the development of regulations that protect the interests of the public without also requiring unnecessary administrative burden on either the state or participants in the oil and gas industry.

Written comments, suggestions, questions, and other input must be received by the department no later than **4:00 p.m. on Tuesday, August 29, 2017**. Written comments, suggestions, questions, and other input may be submitted by mail to:

John Larsen
Alaska Department of Revenue
550 W. 7th Ave., Suite 500
Anchorage, AK 99501-3555

Written comments, suggestions, questions, and other input may also be submitted by email to: john.larsen@alaska.gov, or by FAX to: (907) 269-6644. For any questions regarding this scoping notice please contact John Larsen at (907) 269-8436.

The department will also hold a public workshop to meet with interested parties and the public regarding this notice. The public workshop will be held on **Tuesday, August 22, 2017**, from **9:00 a.m. to 12:00 p.m.** in the East Hearing Conference Room of the Regulatory Commission of Alaska, located at 701 W. 8th Avenue, Suite 300, Anchorage, Alaska. Those wishing to provide comment must be in attendance by no later than 10:00 a.m. Those wishing to participate by teleconference may dial in at 1-800-315-6338, Access/Participant PIN Code: 40720.

The department will consider comments submitted before any regulatory revisions are proposed. Any proposed regulatory revisions will be publicly noticed, and made available for public review and comment in accordance with AS 44.62, the Administrative Procedures Act.

The department reserves the right to waive technical defects in this publication. The State of Alaska, Department of Revenue, complies with Title II of the Americans with Disabilities Act of 1990. Individuals with disabilities who may need auxiliary aides, services, or special modifications to participate in this scoping request must contact the above address, email, or the TDD number (907) 269-8411 by 4:00 pm, Friday, August 18, 2017.

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