

15 AAC 55.310 is amended to read:

**15 AAC 55.310. Qualified capital expenditure credits.** For purposes of AS 43.55.023(a), (n), and (o) [(k)], if an expenditure incurred by a producer or explorer during a calendar year is an outlay for work-in-progress with respect to an asset the cost of which is treated as a capitalized expenditure under 26 U.S.C. (Internal Revenue Code), as amended, regardless of elections made under 26 U.S.C. 263(c) (Internal Revenue Code), as amended, the fact that the asset is not placed in service until a later calendar year does not prevent the expenditure from constituting a qualified capital expenditure. (Eff. 5/3/2007, Register 182; am 9/14/2012, Register 203)

**Authority:** AS 43.05.080 AS 43.55.023 AS 43.55.110

15 AAC 55.320(a)(1) is amended to read:

(1) a qualified capital expenditure credit under AS 43.55.023(a) or a well lease expenditure credit under AS 43.55.023(l) at any time after the [QUALIFIED CAPITAL] expenditure in question is incurred but no more frequently than once a calendar quarter;

15 AAC 55.320(b)(9) is amended to read:

(9) for [IN THE CASE OF] a tax credit under AS 43.55.023(a) or (l) for an [QUALIFIED CAPITAL] expenditure incurred in connection with geological or geophysical exploration or in connection with an exploration [A] well,

(A) the applicant's written agreements described in

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AS 43.55.023(a)(2)(A) or (D)(2)(A), as applicable; and

(B) documentation that the applicant has submitted to the Department of Natural Resources all data referred to in AS 43.55.023(a)(2)(B) or (D)(2)(B), as applicable. (Eff. 5/3/2007, Register 182; am 10/21/2009, Register 192; am

9/14/2012, Register 203)

**Authority:** AS 43.05.080 AS 43.55.023 AS 43.55.110

The section heading for 15 AAC 55.341 is changed to read:

**15 AAC 55.341. Credit provisions after June 30, 2007, and before January 1, 2011, for Cook Inlet and for gas used in the state.**

15 AAC 55.341(i) is amended to read:

(i) This section applies to oil and gas produced and expenditures incurred after June 30, 2007, except that for a tax credit under

(1) AS 38.05.180(i), AS 41.09.010, or AS 43.55.025, this section does not apply to expenditures incurred after December 31, 2010;

(2) AS 43.55.024, this section does not apply to oil or gas produced after December 31, 2010 [AND BEFORE JANUARY 1, 2022].

(Eff. 10/21/2009, Register 192; am 9/14/2012, Register 203)

**Authority:** AS 43.05.080 AS 43.55.024 AS 43.55.110  
AS 43.55.011 AS 43.55.025

The lead-in language of 15 AAC 55.345(b) is amended to read:

(b) In addition to other information required by the department, a claim under this section for a tax credit for a qualified capital expenditure under AS 43.55.023(a), [OR] carried-forward annual loss under AS 43.55.023(b), or well lease expenditure under AS 43.55.023(l) must include

...

15 AAC 55.345(b)(5)(B) is amended to read:

(B) agreements required under AS 43.55.023(a)(2), as amended by sec. 25, ch. 1, SSSLA 2007, or AS 43.55.023(l)(2), and documentation that the producer has submitted to the Department of Natural Resources all data referred to

(i) in AS 43.55.023(a)(2)(B), as amended by sec. 25, ch. 1, SSSLA 2007, in the case of a claim for a tax credit under AS 43.55.023(a) for an expenditure incurred for exploration work performed after June 30, 2008;

(ii) in AS 43.55.023(l)(2)(B), in the case of a claim for a tax credit under AS 43.55.023(l) for a well lease expenditure; and

15 AAC 55.345(b)(6) is amended to read:

(6) in the case of a

(A) claim for a tax credit under AS 43.55.023(a) for a qualified capital expenditure, the producer's certification that a tax credit has not been and is not being

taken for the expenditure under AS 38.05.180(i), AS 41.09.010, AS 43.20.043, AS 43.55.023(D), or [AS] 43.55.025, except as provided under (c) of this section;

(B) claim for a tax credit under AS 43.55.023(D) for a well lease expenditure, the producer's certification that a tax credit has not been and is not being taken for the expenditure under AS 38.05.180(i), AS 41.09.010, AS 43.20.043, AS 43.55.023(a), or 43.55.025, except as provided under (c) of this section.

15 AAC 55.345(c) is amended to read:

(c) A producer that files an application under 15 AAC 55.355 or 15 AAC 55.356 for an alternative oil and gas exploration tax credit under AS 43.55.025 for an expenditure that the producer believes is a qualified capital expenditure may file a contingent claim under this section for a qualified capital expenditure tax credit under AS 43.55.023(a) or (D), if and to the extent that the expenditure later is determined not to qualify for a tax credit under AS 43.55.025 but is determined to qualify for a tax credit under AS 43.55.023(a).

(Eff. 5/3/2007, Register 182; am 10/21/2009, Register 192; am 9/14/2012, Register 203)

<b>Authority:</b>	AS 43.05.080	AS 43.55.025	AS 43.55.040
	AS 43.55.023	AS 43.55.030	AS 43.55.110
	AS 43.55.024		

15 AAC 55.375(c) is amended to read:

(c) Except as provided under (a) and (b) of this section, a producer may apply tax credits

in any order, if the producer submits with the statement required under AS 43.55.030(a) a separate schedule setting out the order in which the tax credits are applied. In the absence of that schedule, tax credits must be applied in the following order:

- (1) first, any credit under AS 43.55.024(a);
- (2) second, any credit under AS 43.55.024(c);
- (3) third, any credit under AS 43.55.019 [AS 43.55.025];
- (4) fourth, any credit under AS 43.55.025 [AS 43.55.023(i)];
- (5) fifth, any credit under AS 43.55.023(i) [AS 43.55.023(a)];
- (6) sixth, any credit under AS 43.55.023(a) [AS 43.55.023(b)];
- (7) seventh, any credit under AS 43.55.023(l) [AS 41.09.010];
- (8) eighth, any credit under AS 43.55.023(b) [AS 38.05.180(i)];
- (9) ninth, any credit under AS 41.09.010;

**(10) tenth, any credit under AS 38.05.180(i);**

**(11) eleventh, any credit under AS 43.55.023(e).** (Eff. 5/3/2007, Register 182,

am 10/21/2009, Register 192; am 9/14/2012, Register 203)

**Authority:** AS 43.05.080            AS 43.55.024            AS 43.55.110  
                  AS 43.55.023            AS 43.55.025

15 AAC 55.900(a)(22) is amended to read:

(22) "qualified capital expenditure" has the meaning given in AS 43.55.023(o) [AS 43.55.023(k)];

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(Eff. 1/1/95, Register 132; am 1/1/2000, Register 152; am 1/1/2002, Register 160; am 1/1/2003, Register 164; am 1/1/2004, Register 168; am 5/3/2007, Register 182; am 10/21/2009, Register 192; am 2/27/2010, Register 193; am 4/30/2010, Register 194; am 12/4/2010, Register 196; am 9/14/2012, Register 203)

<b>Authority:</b>	AS 43.05.080	AS 43.55.024	AS 43.55.160
	AS 43.55.011	AS 43.55.025	AS 43.55.165
	AS 43.55.020	AS 43.55.110	AS 43.55.170
	AS 43.55.023	AS 43.55.150	AS 43.55.900