



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

Department of Revenue

TAX DIVISION
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December 15, 2014

RE: Tax Revenue Management System Implementation for Oil and Gas Production Tax

Effective January 19, 2015, the Alaska Oil and Gas Production Tax will be added to the Department's online taxpayer service: Revenue Online (ROL). Revenue Online is a way for taxpayers to conveniently and securely conduct business with the Department of Revenue, Tax Division from their computers, laptops, smartphones, and tablets. This service moves the Division to an electronic-only system. It enables you to file and pay taxes, apply for credits, upload documents, correspond with the Tax Division, and view tax accounts and balances.

All Oil and Gas Production Taxpayers will use Revenue Online to electronically file monthly reports, annual tax returns, and pay taxes. Attachment 1 includes several key dates for the implementation this new service.

The filing processes in the new system (ROL) differ from the prior (OTIS) system. See Attachment 2 for a summary of the "Old versus New" systems.

Part of the change is the method for submitting the December 2014 monthly information and supplemental data. That information will be accepted via OTIS DropBox. See Attachment 3 for instructions on how to use the DropBox feature in OTIS.

Please feel free to contact me via email (jenny.rogers@alaska.gov) or by phone at 907.269.1015 with your questions. Thank you for your help in making this a successful project.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jenny Rogers".

Jenny Rogers
Audit Master, Tax Division

3 Enclosures

Old versus New Systems

| | OLD SYSTEM | NEW SYSTEM (TRMS) | CHANGE EFFECTIVE |
|---------------|---|--|---|
| PORTAL | | | |
| 3 | Filed through OTIS - using a myAlaska Account | File through Revenue Online. Additional instructions on this process will be sent the week of January 19. | 1/19/2015 |
| FORMS | | | |
| 5 | Completed PDF forms that were printed, signed, scanned, and added as attachments in OTIS | Nearly all Oil and Gas Production Tax specific forms are created in Revenue Online | 1/19/2015 |
| 6 | 156 - Oil and Gas Production Tax Return | Oil and Gas Annual Return (XML and/or data entry form through Revenue Online) | 1/19/2015 |
| 7 | Annual Return Amendments were allowed to be filed in various formats (depending on the year that was being amended). | Amended returns will be filed through Revenue Online in a high level summary by month, by segment. An attachment will be required to show the taxpayer's tax calculations. | 1/19/2015 |
| 8 | 157 - APTR Data Capture Tool | Form is no longer used. It has been replaced by the Oil and Gas Annual Return listed above . | 1/19/2015 |
| 9 | 158 - Reporting Property Codes | Property Codes are a separate tab in the "Oil and Gas Production Tax Return Data List" located on our website at http://www.tax.alaska.gov/programs/programs/schemas/index.aspx?60650 | 1/1/2015 |
| 10 | 340.08 - Annual Information Report | Form is no longer used. It has been replaced by the Oil and Gas Annual Return listed above . | Now |
| 11 | 360 - Production Tax Refund Request | Form is no longer used. Refunds are auto-generated based on return values and payments. | 1/1/2015 |
| 12 | 43.55 - Monthly Information Report | Monthly Report (XML and/or data entry through Revenue Online - in the same format as the Oil and Gas Annual Production Tax Return) "Old" (Excel) version of this report will be filed through OTIS on or before 2/2/2015 for December 2014 activity. | 1/30/2015 (Final Excel version due 2/2/2015 for Dec 2014 activity) |
| 13 | 43.57 - Cost of Capital (ROI) Model | 400 - Cost of Capital (ROI) Model | No Change |
| 14 | 55.2 - Cost of Capital (ROI) Model Manual | 400i - Cost of Capital (ROI) Model Instructions | No Change |
| 15 | 370 - Alaska Supplemental Cost Report | No longer used | Removed |
| 16 | 307 - Alaska Producers Affidavit | 307 - Alaska Producers Affidavit | No Change |
| 17 | Credit Specific Forms | | |
| 18 | 308 - Alaska Oil and Gas Production Tax Education Credit under AS 43.55.019 | No longer a separate form - this is part of the Oil and Gas Annual Return | 1/1/2015 |
| 19 | 309 - Alternative Tax Credit for Oil and Gas Exploration under AS 43.55.025 Applied to Tax under AS 43.55.011(e) BEFORE it is issued as a certificate | No longer a separate form - this is part of the Oil and Gas Annual Return | 1/1/2015 |
| 20 | 310 - Alternative Tax Credit for Oil and Gas Exploration under AS 43.55.025 | Application completed in electronic format through Revenue Online | 1/1/2015 |
| 21 | 315 - Notice of Transfer of Alaska Oil and Gas Production Tax Credit Certificates | Application completed in electronic format through Revenue Online | 1/1/2015 |
| 22 | 320 - Alaska Oil and Gas Production Tax Credit Certificates Applied to Tax under AS 43.55.011(e) | No longer a separate form - this is part of the Oil and Gas Annual Return | 1/1/2015 |
| 23 | 325 - Application for Cash Purchase of Tax Credit Certificates under AS 43.55.028 | Application completed in electronic format through Revenue Online | 1/1/2015 |
| 24 | 330 - Alaska Oil and Gas Production Tax Credits and Certificates under AS 43.55.023 | Application completed in electronic format through Revenue Online | 1/1/2015 |
| 25 | 332 - Additional Non-transferable Tax Credit under AS 43.55.024(a) and (c) | No longer a separate form - this is part of the Oil and Gas Annual Return | 1/1/2015 |

Old versus New Systems

| | OLD SYSTEM | NEW SYSTEM (TRMS) | CHANGE EFFECTIVE |
|---------------------------------------|---|--|--|
| 26 | 776 - Limited Power of Attorney for Members of a Consortium of Explorers | No longer used | 1/1/2015 |
| 27 | 355 - Notice of Assignment Tax Credit Certificates under AS 43.55.029 | Paper application still required to obtain assignees signature AND application completed in electronic format through Revenue Online | 1/1/2015 |
| 28 | | Credit Application Expenditure Support - this is a new template required for all new credit certificate applications. | 1/1/2015 |
| ADDITIONAL MONTHLY SUBMISSIONS | | | |
| 30 | Offtakes - Attachment in OTIS | XML submission or data entry in Revenue Online | 1/1/2015 (2014 data submitted through old system) |
| 31 | Contracts - Attachment in OTIS | Data entry and attachment in Revenue Online | 1/1/2015 (2014 data submitted through old system) |
| 32 | Invoices for the sale of oil and gas - Attachments in OTIS | Data entry and attachment in Revenue Online | 1/1/2015 (2014 data submitted through old system) |
| 33 | Joint Interest Billings - Attachment in OTIS | Attachment in Revenue Online | 1/1/2015 (2014 data submitted through old system) |
| 34 | Summary of Unscheduled Interruptions - Attachment in OTIS | Attachment in Revenue Online | 1/1/2015 (2014 data submitted through old system) |
| 35 | AOGCC Volume Reports | No longer required to be submitted | 1/1/2015 (2014 data submitted through old system) |
| AUDIT REQUESTS TO TAXPAYERS | | | |
| 37 | Letters or emails from the Tax Division auditor to the taxpayer audit contact | Messages through Revenue Online | For audits started after 1/20/2015 |
| AUDIT REQUEST RESPONSES | | | |
| 39 | Letters or emails from the taxpayer audit contact to the Tax Division auditor | Messages through Revenue Online | For audits started after 1/20/2015 |

12/15/2014 – Attachment 3

OTIS DropBox Instructions

There is a feature available in OTIS called DropBox. DropBox can be used when information is required to be submitted to Tax Division. Taxpayers can use DropBox to upload files to or download files from the Tax Division.

Why use DropBox?

Using DropBox has some advantages over simply using email for file exchange between the Tax Division and taxpayers:

- Email accounts often have a limit on the file size they can transfer, but DropBox can handle files up to 2GB in size.
- DropBox provides additional security because the file is never sent through email. Taxpayers log in to OTIS to upload or download a file, which means they are logging in to the Tax Division's secure website and file transfer happens directly between the Division's secure database and the taxpayer's computer.

Features of DropBox

Upload to DropBox – Located under the DropBox tab in OTIS, this is where a taxpayer uploads a file to the Tax Division. If more than one file is submitted, DropBox can accept “zipped” files. A Division employee (Ireen Rodriguez) is notified of the submission via email.

Download from DropBox – Located under the DropBox tab in OTIS, this is where a taxpayer goes to retrieve a file from a Tax Division employee. Taxpayers are notified via email that a file is available and given a validation code that they will need to copy from their email and enter here to access the file.

Tax Division Upload to DropBox – Located on the OTIS Administration site, this is where a Tax Division employee can select a file to upload for a taxpayer. The taxpayer will be notified via email to download the file. The Tax Division employee is cc'ed on the email.

Questions on DropBox?

Anyone wishing to gain familiarity with DropBox can do so through the OTIS test site:

<https://mytest2.state.ak.us/OTIS/login/login.aspx>

In order to login into the OTIS test site, you need a myAlaska test account.

If you would like more information or have questions about this feature, please contact Ireen Rodriguez via email (ireen.rodriguez@alaska.gov) or by phone at 907.260.1037.

12/15/2014 - Attachment 1

Key Dates for Oil and Gas Production Tax Implementation of Revenue Online

| | |
|--|--|
| December 31, 2014 | All forms that are being replaced by Revenue Online will be removed from the Tax Division website |
| December 31, 2014 through January 16, 2015 | <p>The following filings will not be accepted during this period:</p> <p>Oil and Gas Production Tax Returns – amended or 2014 returns (payments will still be accepted to stop accumulation of interest)</p> <p>Tax Credit Applications under AS 43.55.023</p> <p>Tax Credit Applications under AS 43.55.025. The AS 43.55.025 tax credit application must be filed within six months of the completion of the exploration activity. The Tax Division will extend any AS 43.55.025 application deadline that falls between December 31, 2014 and January 31, 2015 to February 2, 2015.</p> <p>Applications for the Cash purchase of Tax Credit Certificates under AS 43.55.028</p> |
| January 16, 2015 | Last day payments are accepted through OTIS. (12:01 am January 17, 2015, OTIS Payment Center will be permanently disabled) |
| January 17, 2015 through February 2, 2015 | December 2014 monthly data submissions will be accepted through OTIS DropBox. (At 12:01 am February 3, 2015, OTIS will be permanently disabled) |
| January 19, 2015 | <p>Revenue Online goes "live" for Oil and Gas Production Tax. A letter will be sent to taxpayers with instructions for how to log into Revenue Online.</p> <p>The 2014 Oil and Gas Production Tax Annual Return; amended returns for prior periods; production tax payments; and Tax Credit Applications will be accepted through Revenue Online from this date forward.</p> |
| February 2, 2015 | <p>Due date for December 2014 monthly submissions (Monthly Information Report, offtakes, contracts, other monthly data) through OTIS DropBox.</p> <p>Payments for December 2014 are due and are required to be made through Revenue Online.</p> |
| February 3, 2015 | <p>As 12:01 am services for Oil & Gas Production Tax in OTIS, including DropBox, will be permanently disabled.</p> <p>All taxpayer data submissions and payments will be required through Revenue Online after this date.</p> |
| March 2, 2015 | Due date for January 2014 monthly report and additional required information. Hereafter monthly reports, data submissions, payments, annual returns and other required filings will be made through Revenue Online. |