



2013
Spring

Revenue Forecast

State of Alaska
Department of Revenue
Tax Division

SPRING 2013 FORECAST

Sean Parnell, Governor, State of Alaska

Bryan Butcher, Commissioner

Bruce Tangeman, Deputy Commissioner

Tax Division Contact Persons

Matthew R. Fonder, Director

907-269-6620
matthew.fonder@alaska.gov

Johanna Bales, Deputy Director

907-269-6620
johanna.bales@alaska.gov

Phyllis Rogers, Petroleum Economic Policy Analyst

Revenue Sources Book Publisher
907-269-1016
phyllis.rogers@alaska.gov

John Tichotsky, Chief Economist & Audit Master

907-269-8902
john.tichotsky@alaska.gov

Contact Persons for Specific Topics

Constitutional Budget Reserve Fund

Angela Rodell, Deputy Commissioner
Alaska Department of Revenue, Treasury Division
907-465-3669
angela.rodell@alaska.gov

Restricted Revenue

John Boucher, Senior Analyst
Office of the Governor, Management and Budget
907-465-4677
john.boucher@alaska.gov

Alaska Permanent Fund

Valerie Mertz, Chief Financial Officer
Alaska Permanent Fund Corporation
907-796-1530
vmertz@alaskapermfund.com

Investment Revenue

Ryan S. Williams, Operations Research Analyst
Alaska Department of Revenue, Treasury Division
907-465-2893
ryan.williams@alaska.gov

Additional *Revenue Sources Book* contributors include Cherie Nienhuis (Commercial Analyst) and members of Economic Research Group, Dan Stickel (Assistant Chief Economist), Tim Harper (Petroleum Economist), David Herbert (Intern), Ed King (Petroleum Economist), Joyce Lofgren (Petroleum Economist), Michael Malin (Statistical Technician), Loren Crawford (Economist) and Mackenzie Merrill (Intern)



THE STATE
of **ALASKA**
GOVERNOR SEAN PARNELL

Department of Revenue

COMMISSIONER'S OFFICE
Bryan Butcher, Commissioner

333 Willoughby Avenue, 11th Floor
PO Box 110400
Juneau, Alaska 99811-0400
Main: 907.465.2300
Fax: 907.465.2389

April 5, 2013

The Honorable Sean Parnell, Governor of Alaska
P.O. Box 110001
Juneau, Alaska 99811-0001

Dear Governor Parnell:

I am pleased to present to you the Department of Revenue's Spring 2013 Forecast.

The spring forecast is an annual update to the fall forecast of state revenues for you, the Alaska Legislature, and the Alaska public. This update is a collaborative effort among the Department of Revenue, the Alaska Permanent Fund Corporation, and the Office of Management and Budget.

The spring forecast for General Fund Unrestricted Revenue, for FY 2013, is \$35.3 million (0.5%) lower and, for FY 2014, is \$289.2 million (4.3%) lower than the previous forecast. The spring forecast for General Fund Unrestricted Revenue is forecast at \$7.5 billion for FY 2013 and \$6.7 billion for FY 2014. The actual FY 2012 GFUR totaled \$9.5 billion.

I hope you find the information provided in the Spring 2013 Forecast to be interesting and useful.

We look forward to providing you with a forecast in the fall of 2013.

Sincerely,

A handwritten signature in blue ink that reads "Bryan Butcher".

Bryan Butcher
Commissioner

Spring 2013 Revenue Forecast

Alaska Department of Revenue – Tax Division

Table of Contents

Introduction	1
Figure 1. FY 2013 and FY 2014 Comparison	2
Figure 2. State Revenue (Figure 2-2 in Fall 2012 RSB)	3
Figure 3. Unrestricted General Fund Revenue by Type (Figure 2-3 in Fall 2012 RSB)	4
Figure 4. Restricted Revenue by Major Component (Figure 2-4 in Fall 2012 RSB)	6
Figure 5. Oil Revenue (Figure 4-2 in Fall 2012 RSB)	8
Figure 6. Non-Oil Revenue, except federal and investment (Figure 5-2 in Fall 2012 RSB)	9
Figure 7. Non-Oil Taxes (Figure 5-3 in Fall 2012 RSB)	10
Figure 8. Charges for Services (Figure 5-4 in Fall 2012 RSB)	12
Figure 9. Fines & Forfeitures (Figure 5-5 in Fall 2012 RSB)	13
Figure 10. Licenses & Permits (Figure 5-6 in Fall 2012 RSB)	14
Figure 11. Rents & Royalties (Figure 5-7 in Fall 2012 RSB)	15
Figure 12. Other Revenue (Figure 5-8 in Fall 2012 RSB)	16
Figure 13. Investment Revenue (Figure 7-2 in Fall 2012 RSB)	17
Figure 14. Basic Calculation for ANS Oil & Gas Production Taxes (Figure 4-7 in Fall 2012 RSB)	18
Appendix	19
A-1 Unrestricted General Fund Revenue, with Petroleum Revenue Detail (Figure A-4b in Fall 2012 RSB)	20
A-2 Petroleum Revenue (Figure A-5b in Fall 2012 RSB)	21
A-3 Crude Oil Prices (Figure B-1b in Fall 2012 RSB)	22
A-4 Netback Costs (Figure B-2b in Fall 2012 RSB)	23
A-5 Price Differences from Spring 2012 Forecast (Figure B-3 in Fall 2012 RSB)	24
A-6 Production Differences from Spring 2012 Forecast (Figure C-3 in Fall 2012 RSB)	25
A-7 Crude Oil Production (Figure C-2b in Fall 2012 RSB)	26
A-8 Oil Production on Alaska's North Slope (Figure 4-10 in Fall 2012 RSB)	27
A-9 New Oil Production Confidence Band (Figure 4-11 in Fall 2012 RSB)	27

General Discussion

The spring forecast is an annual update of the fall forecast of state revenues for the Governor, the Alaska Legislature, and the Alaska public. This update is a collaborative effort among the Department of Revenue, the Alaska Permanent Fund Corporation, and the Office of Management and Budget.

State revenue comes from four major sources:

- oil revenue;
- income from sources other than oil, such as taxes, charges for services, licenses, permits, fines and forfeitures;
- federal revenue; and
- investment revenue, primarily from the Alaska Permanent Fund and the Constitutional Budget Reserve Fund.

In Fiscal Year (FY)⁽¹⁾ 2012, total state revenue was \$13.6 billion, and is forecast to be \$17.7 billion in FY 2013, the second highest total state revenue in Alaska's history. For comparison, in FY 2011 total state revenue was a record \$19.5 billion. The increase in the spring forecast for FY 2013 in total state revenue is explained by an increase in the actual investment revenue coming into the treasury in the first half of FY 2013.

General Fund Unrestricted Revenue totaled \$9.5 billion for FY 2012, and is forecast at \$7.5 billion for FY 2013 and \$6.7 billion for FY 2014. The spring forecast for General Fund Unrestricted Revenue, for FY 2013, is half a percent lower and, for FY 2014, is 4.3% lower than the previous forecast.

The revenue forecast is based on a revised oil price forecast of \$109.21 per barrel versus \$108.67 for FY 2013, based on the inclusion of more months of actual prices. We did not alter the forecast prices for the remaining years (FY 2014 – FY 2022), because there have been no structural changes or significant change in the oil price triggers we monitor since the fall forecast. In other words, except for a change in FY 2013, the spring price forecast is the same as for the fall. Forecast oil prices remain above \$100 per barrel throughout our forecast period to 2022.

Oil revenue continues to contribute over 90% of all unrestricted revenue and this high level of dependence will likely continue. State revenues are sensitive to oil price and oil production. The state requires high oil prices and/or stable or increasing production, in order to maintain stable or increasing state revenue. For FY 2013, a 2.7% production decrease between the fall and spring production forecast is offset by a half a percent increase in the oil price forecast for the same period and results in an almost identical revenue forecast between spring and fall.

In FY 2012, an average 579.4 thousand barrels of oil per day were produced on the North Slope, and an additional average 10.8 thousand barrels per day were produced in Cook Inlet. The spring forecast for North Slope crude oil production is revised in FY 2013 from 552.8 thousand barrels per day to 538.3 thousand barrels per day. Similarly, for FY 2014, the current forecast revises the fall forecast from 538.4 thousand barrels per day to 526.6 thousand barrels per day.

The totals of some tables in this publication may not equal the sum of components due to rounding.

⁽¹⁾ Alaska's fiscal year runs from July 1 thru June 30.

Figure 1. FY 2013 and FY 2014 Comparison
Spring 2013 Forecast with Fall 2012 Forecast

	Spring 2013	Fall 2012	Absolute Change	Percent Change
FY 2013				
ANS West Coast Price (\$/barrel)	\$109.21	\$108.67	\$0.54	0.5%
ANS oil Production (ths barrels/day)	538.3	552.8	-14.5	-2.6%
Unrestricted GF Revenue (\$ million)	\$7,476.4	\$7,511.7	(\$35.3)	-0.5%
FY 2014				
ANS West Coast Price (\$/barrel)	\$109.61	\$109.61	\$0.00	0.0%
ANS oil Production (ths barrels/day)	526.6	538.4	-11.8	-2.2%
Unrestricted GF Revenue (\$ million)	\$6,712.7	\$7,001.9	(\$289.2)	-4.3%
Two Year Totals				
ANS West Coast Price (\$/barrel)	\$109.41	\$109.14	\$0.27	0.2%
Two year average production (ths barrels/day)	532.5	545.6	-13.2	-2.5%
Two year unrestricted GF Revenue (\$ million)	\$14,189.1	\$14,513.6	(\$324.5)	-2.3%

Figure 2. State Revenue (Figure 2-2 in Fall 2012 RSB)
(\$ million)

Unrestricted Revenue Sources	History	Forecast	
	FY 2012	FY 2013	FY 2014
Unrestricted General Fund			
Oil Revenue	8,857.8	6,868.8	6,093.8
Non-Oil Revenue, except federal and investment	519.6	537.1	535.3
Investment Revenue	107.8	70.5	83.6
Total Unrestricted Revenue	9,485.2	7,476.4	6,712.7
Restricted Revenue Sources			
Designated General Fund			
Non-Oil Revenue, except federal and investment	268.2	313.6	323.2
Investment Revenue	34.6	49.1	35.3
Subtotal	302.8	362.7	358.5
Other Restricted Revenue			
Oil Revenue	1,021.7	1,064.2	832.1
Non-Oil Revenue, except federal and investment	184.5	221.2	218.2
Investment Revenue	109.7	5,733.0	3,536.4
Subtotal	1,315.9	7,018.4	4,586.7
Federal Revenue			
Oil Revenue ⁽¹⁾	4.8	4.9	3.9
Federal Receipts	2,455.5	2,833.6	2,961.1
Subtotal	2,460.3	2,838.5	2,965.0
Total Restricted Revenue	4,079.0	10,219.6	7,910.2
Total State Revenue	13,564.2	17,696.0	14,622.9

⁽¹⁾ Oil revenue shown in the Federal category includes the state share of rents, royalties, and bonuses received from the National Petroleum Reserve - Alaska.

Figure 3. Unrestricted General Fund Revenue by Type (Figure 2-3 in Fall 2012 RSB)
(\$ million)

Oil Revenue	History		Forecast
	FY 2012	FY 2013	FY 2014
Oil Taxes			
Petroleum Property Tax	111.2	111.6	99.3
Petroleum Corporate Income Tax	568.8	500.3	543.5
Oil & Gas Production Tax	6,146.1	4,386.0	3,595.7
Subtotal Oil Taxes	6,826.1	4,997.9	4,238.5
Royalties (including Bonuses, Rents, & Interest)			
Mineral Bonuses & Rents	6.2	15.8	6.0
Oil & Gas Royalties	2,022.8	1,853.1	1,847.3
Interest	2.7	2.0	2.0
Subtotal Royalties	2,031.7	1,870.9	1,855.3
Total Oil Revenue	8,857.8	6,868.8	6,093.8
Non-Oil Revenue, except federal and investment			
Non-Oil Taxes			
Excise Tax			
Alcoholic Beverage	19.4	19.8	20.4
Tobacco Product – Cigarette	33.6	32.5	31.4
Tobacco Product – Other	12.0	13.2	14.4
Insurance Premium	54.8	57.9	58.8
Electric and Telephone Cooperative	0.2	0.1	0.1
Motor Fuel	40.9	40.2	40.6
Vehicle Rental	8.5	7.6	7.5
Tire Fee	1.4	1.4	1.4
Subtotal Excise Tax	170.8	172.7	174.6
Corporate Income Tax	98.5	104.7	100.5
Fisheries Tax			
Fisheries Business	26.4	27.4	28.0
Fishery Resource Landing	6.3	7.8	7.8
Subtotal Fisheries Tax	32.7	35.2	35.8
Other Tax			
Charitable Gaming	2.6	2.6	2.6
Estate	0.0	0.0	0.0
Large Passenger Vessel Gambling	5.2	5.2	5.2
Mining	40.7	52.9	68.9
Subtotal Other Tax	48.5	60.7	76.7
Subtotal Non-Oil Taxes	350.5	373.3	387.6

Figure 3. Unrestricted General Fund Revenue by Type (continued from previous page)
(\$ million)

Charges for Services	History	Forecast	
	FY 2012	FY 2013	FY 2014
General Government	14.0	17.8	17.8
Natural Resources	8.9	8.9	8.9
Other	6.3	6.6	6.6
Subtotal Charges for Services	29.2	33.3	33.3
Subtotal Fines & Forfeitures	10.9	9.5	9.5
Licenses & Permits			
Alcoholic Beverage Licenses	1.0	1.0	1.1
Motor Vehicle	38.2	40.2	40.2
Other	3.1	2.7	2.7
Subtotal Licenses & Permits	42.3	43.9	44.0
Rents & Royalties			
Mining Rents & Royalties	12.3	12.3	12.3
Other Non-Petroleum Rents & Royalties	8.1	8.0	8.0
Subtotal Rents & Royalties	20.4	20.3	20.3
Other			
Miscellaneous	22.3	14.3	14.3
Alaska Housing Finance Corporation	8.9	16.5	0.0
Alaska Industrial Development & Export Authority	29.4	20.4	20.7
Alaska Municipal Bond Bank Authority	0.0	0.9	0.9
Alaska Student Loan Corporation	1.7	0.0	0.0
Alaska Energy Authority	0.0	1.1	1.1
Mental Health Trust	0.0	0.1	0.1
Unclaimed Property	4.0	3.5	3.5
Subtotal Other	66.3	56.8	40.6
Total Non-Oil Revenue, except federal and investment	519.6	537.1	535.3
Investment Revenue			
Investments	104.8	68.7	79.2
Interest Paid by Others	3.0	1.8	4.4
Total Investment Revenue	107.8	70.5	83.6
Total Unrestricted Revenue	9,485.2	7,476.4	6,712.7

Figure 4. Restricted Revenue by Major Component (Figure 2-4 in Fall 2012 RSB)
(\$ million)

Designated General Fund Revenue	History	Forecast	
	FY 2012	FY 2013	FY 2014
Non-Oil Revenue, except federal and investment			
Taxes	52.0	49.5	48.9
Charges for Services	200.1	233.3	244.2
Fines and Forfeitures	6.9	8.8	8.1
Licenses and Permits	0.4	0.2	0.2
Rents and Royalties	4.4	4.4	4.4
Other	4.4	17.4	17.4
Subtotal	268.2	313.6	323.2
Investment Revenue			
Investments - Designated GF	9.2	5.9	6.7
Other Treasury Managed Funds	25.4	43.2	28.6
Subtotal	34.6	49.1	35.3
Subtotal Designated General Fund Revenue	302.8	362.7	358.5
Other Restricted Revenue			
Oil Revenue			
Royalties to Alaska Perm Fund & School Fund (includes Bonuses & Rents)	919.6	779.6	812.1
Tax and Royalty Settlements to CBRF	102.1	284.6	20.0
Subtotal	1,021.7	1,064.2	832.1
Non-Oil Revenue, except federal and investment			
Taxes	75.3	75.9	76.6
Charges for Services	41.7	71.9	71.1
Fines and Forfeitures	24.4	26.9	24.0
Licenses and Permits	30.7	31.5	31.5
Rents and Royalties	8.0	8.0	8.0
Other	4.4	7.0	7.0
Subtotal	184.5	221.2	218.2

(continued on next page)

Figure 4. Restricted Revenue by Major Component (continued from previous page)
(\$ million)

	History	Forecast	
	FY 2012	FY 2013	FY 2014
Investment Revenue			
Investments - Other Restricted	18.5	11.9	13.5
Constitutional Budget Reserve Fund	191.1	677.6	430.9
Alaska Permanent Fund (GASB) ⁽¹⁾	-99.9	5,043.5	3,092.0
Subtotal	109.7	5,733.0	3,536.4
Subtotal Other Restricted Revenue	1,315.9	7,018.4	4,586.7
Federal Revenue			
Federal Receipts	2,455.5	2,833.6	2,961.1
Oil Revenue			
NPR-A Royalties, Rents and Bonuses	4.8	4.9	3.9
Subtotal Federal Revenue	2,460.3	2,838.5	2,965.0
Total Restricted Revenue	4,079.0	10,219.6	7,910.2

⁽¹⁾ Both realized and unrealized gains and losses are included per GASB 34 as interpreted by the Finance Division of the Department of Administration in its *Comprehensive Annual Financial Report*.

Figure 5. Oil Revenue (Figure 4-2 in Fall 2012 RSB)
(\$ million)**Oil Revenue**

	History		Forecast
	FY 2012	FY 2013	FY 2014
Unrestricted			
Petroleum Property Tax	111.2	111.6	99.3
Petroleum Corporate Income Tax	568.8	500.3	543.5
Production Tax	6,146.1	4,386.0	3,595.7
Royalties (including Bonuses, Rents & Interest)	2,031.7	1,870.9	1,855.3
Total Unrestricted	8,857.8	6,868.8	6,093.8
Increase/(Decrease) from Prior Period	1,808.8	(1,989.0)	(775.0)
% Change from Prior Period	25.7%	-22.5%	-11.3%
Restricted			
Other Restricted			
Royalties to Alaska Permanent Fund & School Fund			
Royalties, Bonuses & Rents to the Alaska Permanent Fund	904.9	766.4	798.8
Royalties, Bonuses & Rents to the School Fund	14.7	13.3	13.3
Tax Settlements to CBRF	102.1	284.6	20.0
Subtotal Other Restricted	1,021.7	1,064.2	832.1
Federal			
NPR-A Royalties, Rents & Bonuses	4.8	4.9	3.9
Total Restricted	1026.5	1069.1	836.0
Increase/(Decrease) from Prior Period	(14.7)	42.6	(233.1)
% Change from Prior Period	-1.4%	4.2%	-21.8%
Total Oil Revenue	9,884.3	7,937.9	6,929.8
Increase/(Decrease) from Prior Period	1,794.1	(1,946.4)	(1,008.1)
% Change from Prior Period	22.2%	-19.7%	-12.7%

Figure 6. Non-Oil Revenue, except federal and investment (Figure 5-2 in Fall 2012 RSB)
(\$ million)

Non-Oil Revenue

	History	Forecast	
	FY 2012	FY 2013	FY 2014
Unrestricted			
Taxes	350.5	373.3	387.6
Charges for Services	29.2	33.3	33.3
Fines & Forfeitures	10.9	9.5	9.5
Licenses & Permits	42.3	43.9	44.0
Rents & Royalties	20.4	20.3	20.3
Other	66.3	56.8	40.6
Total Unrestricted	519.6	537.1	535.3
Restricted			
Designated General Fund			
Taxes	52.0	49.5	48.9
Charges for Services	200.1	233.3	244.2
Fines & Forfeitures	6.9	8.8	8.1
Licenses & Permits	0.4	0.2	0.2
Rents & Royalties	4.4	4.4	4.4
Other	4.4	17.4	17.4
Subtotal	268.2	313.6	323.2
Other Restricted			
Taxes	75.3	75.9	76.6
Charges for Services	41.7	71.9	71.1
Fines & Forfeitures	24.4	26.9	24.0
Licenses & Permits	30.7	31.5	31.5
Rents & Royalties	8.0	8.0	8.0
Other	4.4	7.0	7.0
Subtotal	184.5	221.2	218.2
Total Restricted	452.7	534.8	541.4
Total Non-Oil Revenue, except federal and investment	972.3	1,071.9	1,076.7

Figure 7. Non-Oil Taxes (Figure 5-3 in Fall 2012 RSB)
(\$ million)

Unrestricted Excise Tax	History	Forecast	
	FY 2012	FY 2013	FY 2014
Alcoholic Beverage	19.4	19.8	20.4
Tobacco Products – Cigarettes	33.6	32.5	31.4
Tobacco Products – Other (General Fund)	12.0	13.2	14.4
Electric & Telephone Cooperative	0.2	0.1	0.1
Insurance Premium	54.8	57.9	58.8
Motor Fuel Tax	40.9	40.2	40.6
Tire Fee	1.4	1.4	1.4
Vehicle Rental	8.5	7.6	7.5
Subtotal	170.8	172.7	174.6
Corporate Income Tax (non oil and gas)	98.5	104.7	100.5
Fish Tax			
Fisheries Business	26.4	27.4	28.0
Fishery Resource Landing	6.3	7.8	7.8
Subtotal	32.7	35.2	35.8
Other Tax			
Charitable Gaming	2.6	2.6	2.6
Estate	0.0	0.0	0.0
Large Passenger Vessel Gambling	5.2	5.2	5.2
Mining License	40.7	52.9	68.9
Subtotal	48.5	60.7	76.7
Total Non-Oil Unrestricted Taxes	350.5	373.3	387.6

(continued on next page)

Figure 7. Non-Oil Taxes (continued from previous page)
(\$ million)

Restricted	History	Forecast	
	FY 2012	FY 2013	FY 2014
Designated General Fund			
Alcoholic Beverage (alcohol & drug treatment)	19.3	18.3	18.8
Tobacco – Cigarettes (tobacco use cessation)	6.9	6.2	6.2
Tobacco – Cigarettes (school fund)	22.5	21.8	20.8
Insurance Premium/Other ⁽¹⁾	3.3	3.2	3.1
Subtotal	52.0	49.5	48.9
Other Restricted			
Cruise Ship Passenger Fee (State Share)	2.2	2.0	2.0
Cruise Ship Passenger Fee (Municipal Share)	14.2	14.0	13.6
Dive Fishery Management Assessment (designated management areas)	0.7	0.8	0.7
Electric and Telephone Cooperative (Municipal Share)	3.9	1.9	1.9
Fisheries Business (Municipal Share)	26.7	27.7	28.3
Fishery Resource Landing (Municipal Share)	5.7	7.2	7.2
Motor Fuel Tax-Aviation (Municipal Share)	0.1	0.1	0.1
Salmon Enhancement (Aquaculture Association Share)	10.1	7.9	8.5
Seafood Development (qualifying regional associations)	1.9	1.6	1.6
Seafood Marketing Assessment (seafood marketing programs)	9.7	12.7	12.7
Settlements to CBRF (non-petroleum taxes)	0.1	0.0	0.0
Subtotal	75.3	75.9	76.6
Total Non-Oil Restricted Taxes	127.3	125.4	125.5
Grand Total	477.8	498.7	513.1

⁽¹⁾ In addition to the worker's compensation insurance premiums for the Insurance Premium Tax, this amount also includes services fees from employers who are self-insured.

Figure 8. Charges for Services (Figure 5-4 in Fall 2012 RSB)
(\$ million)

	History		Forecast	
	FY 2012	FY 2013	FY 2014	
Unrestricted				
General Government	14.0	17.8	17.8	
Natural Resources	8.9	8.9	8.9	
Other	6.3	6.6	6.6	
Total Unrestricted	29.2	33.3	33.3	
Restricted				
Designated General Fund				
DCCED Business Licenses	8.4	8.4	8.4	
Environmental Compliance Fees	0.9	1.3	1.3	
General Government - GF Subfunds	7.1	7.5	7.5	
Marine Highway Receipts	53.6	55.0	55.0	
Natural Resources	0.3	0.9	0.9	
Ocean Ranger Fees	3.7	3.5	3.5	
Oil and Gas Conservation	5.9	6.3	6.4	
RCA Receipts	8.5	10.7	10.7	
Receipt Supported Services ⁽¹⁾	111.0	138.9	149.7	
Timber Sale Receipts	0.7	0.8	0.8	
Subtotal	200.1	233.3	244.2	
Other Restricted				
General Government - Special Funds	0.1	0.2	0.2	
Statutorily Designated	41.6	71.7	70.9	
Subtotal	41.7	71.9	71.1	
Total Restricted	241.8	305.2	315.3	
Grand Total	271.0	338.5	348.6	

⁽¹⁾ Beginning Fall 2011, Test Fisheries receipts are included in the Receipt Supported Services and are not reported separately.

Figure 9. Fines & Forfeitures (Figure 5-5 in Fall 2012 RSB)
(\$ million)

Unrestricted	History	Forecast	
	FY 2012	FY 2013	FY 2014
Fines & Forfeitures	10.9	9.5	9.5
Total Unrestricted	10.9	9.5	9.5
Restricted			
Designated General Fund			
Tobacco Settlement (Tobacco Use Education & Cessation Fund)	6.0	6.6	5.9
Other - GF Subfunds	0.9	2.2	2.2
Subtotal	6.9	8.8	8.1
Other Restricted			
Tobacco Settlement (Northern Tobacco Securitization Corporation)	24.0	26.6	23.7
Other - Special Revenue Funds	0.4	0.3	0.3
Subtotal	24.4	26.9	24.0
Total Restricted	31.3	35.7	32.1
Grand Total	42.2	45.2	41.6

Figure 10. Licenses & Permits (Figure 5-6 in Fall 2012 RSB)
(\$ million)

	History	Forecast	
	FY 2012	FY 2013	FY 2014
Unrestricted			
Alcoholic Beverage Licenses	1.0	1.0	1.1
Motor Vehicles	38.2	40.2	40.2
Other Fees	3.1	2.7	2.7
Total Unrestricted	42.3	43.9	44.0
Restricted			
Designated General Fund			
Other Fees - GF Subfunds	0.4	0.2	0.2
Other Restricted			
Alcoholic Beverage License Share	0.9	0.9	0.9
Hunting and Fishing Fees (Fish & Game Fund)	26.4	26.4	26.4
Other Fees - Special Revenue Funds	3.4	4.2	4.2
Subtotal	30.7	31.5	31.5
Total Restricted	31.1	31.7	31.7
Grand Total	73.4	75.6	75.7

Figure 11. Rents & Royalties (Figure 5-7 in Fall 2012 RSB)
(\$ million)

	History	Forecast	
Unrestricted	FY 2012	FY 2013	FY 2014
Mining Rents and Royalties	12.3	12.3	12.3
Other Non-Petroleum Rents and Royalties	8.1	8.0	8.0
Total Unrestricted	20.4	20.3	20.3
Restricted			
Designated General Fund			
Other Non-Petroleum Rents and Royalties	4.4	4.4	4.4
Other Restricted			
Mining Rents and Royalties	8.0	8.0	8.0
Total Restricted	12.4	12.4	12.4
Grand Total	32.8	32.7	32.7

Figure 12. Other Revenue (Figure 5-8 in Fall 2012 RSB)
(\$ million)

Unrestricted	History	Forecast	
	FY 2012	FY 2013	FY 2014
Miscellaneous	22.3	14.3	14.3
Alaska Housing Finance Corporation	8.9	16.5	0.0
Alaska Industrial Development & Export Authority	29.4	20.4	20.7
Alaska Municipal Bond Bank Authority	0.0	0.9	0.9
Alaska Student Loan Corporation	1.7	0.0	0.0
Alaska Energy Authority	0.0	1.1	1.1
Mental Health Trust	0.0	0.1	0.1
Unclaimed Property	4.0	3.5	3.5
Total Unrestricted	66.3	56.8	40.6
Restricted			
Designated General Fund			
Miscellaneous - GF Subfunds ⁽¹⁾	4.4	17.4	17.4
Other Restricted			
Miscellaneous - Special Revenue Funds ⁽¹⁾	4.4	7.0	7.0
Total Restricted	8.8	24.4	24.4
Grand Total	75.1	81.2	65.0

⁽¹⁾ Revenue shown under account codes for “other” or “contributions” in the Alaska State Accounting System for General Fund subfunds and special revenue funds.

Figure 13. Investment Revenue⁽¹⁾ (Figure 7-2 in Fall 2012 RSB)
(\$ million)

Unrestricted	History	Forecast	
	FY 2012	FY 2013	FY 2014
Investments	104.8	68.7	79.2
Interest Paid by Others	3.0	1.8	4.4
Total Unrestricted	107.8	70.5	83.6
Restricted			
Designated General Fund			
Investments - Designated GF	9.2	5.9	6.7
Other Treasury Managed Funds	25.4	43.2	28.6
Subtotal	34.6	49.1	35.3
Other Restricted			
Investments - Other Restricted	18.5	11.9	13.5
Constitutional Budget Reserve Fund	191.1	677.6	430.9
Alaska Permanent Fund	-99.9	5,043.5	3,092.0
Subtotal	109.7	5,733.0	3,536.4
Total Restricted	144.3	5,782.1	3,571.7
Grand Total	252.1	5,852.6	3,655.3

⁽¹⁾ Governmental Accounting Standards Board (GASB) principles require the recognition of changes in the value of investments as income or losses at the end of each trading day, whether the investment is actually sold or not.

Figure 14. Basic Calculation for ANS Oil & Gas Production Taxes⁽¹⁾ (Figure 4-7 in Fall 2012 RSB)

	History	Forecast	
	FY 2012	FY 2013	FY 2014
North Slope Price and Production			
Price of ANS WC in dollars per barrel	112.65	109.21	109.61
Transit Costs & Other in dollars per barrel	8.81	9.55	8.87
ANS Wellhead in dollars per barrel	103.84	99.66	100.74
North Slope Lease Expenditures⁽³⁾⁽⁴⁾			
Total North Slope Lease Expenditures in \$ millions			
Operating Expenditures [OPEX]	3,001.2	2,944.7	2,763.9
Capital Expenditures [CAPEX]	2,383.4	2,980.9	3,861.8
Total North Slope Expenditures	5,384.6	5,925.6	6,625.7
Deductible North Slope Lease Expenditures in \$ millions			
Operating Expenditures [OPEX]	2,862.2	2,727.2	2,710.8
Capital Expenditures [CAPEX]	1,543.0	2,102.4	3,435.5
Deductible North Slope Expenditures	4,405.3	4,829.7	6,146.3
State Production Tax Revenue⁽¹⁾			
Millions of Dollars	6,146.1	4,386.0	3,595.7
Production Tax Collected per Taxable Barrel	33.4	25.7	21.5
Statewide Production Tax Credits⁽³⁾⁽⁵⁾			
Credits Used against Tax Liability in \$millions	360.0	430.0	585.0
Credits for Potential Purchase in \$millions	353.0	370.0	400.0

⁽¹⁾ Production tax is calculated on a company specific basis, therefore the aggregated data reported here will not generate the total tax revenue shown.

⁽²⁾ Royalty and Federal barrels represents DOR's best estimate of barrels that are not taxed. This estimate includes both state and federal royalty barrels, and barrels produced from federal offshore property.

⁽³⁾ Lease expenditures and credits used against tax liability for FY 2012 were prepared using unaudited company-reported estimates.

⁽⁴⁾ Expenditure data for FY 2013 and FY 2014 are compiled from company submitted expenditure forecast estimates and other documentation as provided to the DOR. Expenditures shown here are shown in two ways: (1) total estimated expenditures including for those companies with no tax liability; and (2) estimated deductible expenditures for only those companies with a tax liability.

⁽⁵⁾ Production tax credits shown include all production tax credits and all areas of the state. North Slope CAPEX credits are spread out over two years as specified in the ACES production tax. Assumptions for the \$12 million credits for small Alaska producers are included in the table.

Appendix

A-1 Unrestricted General Fund Revenue, with Petroleum Revenue Detail

(Figure A-4b in Fall 2012 RSB)

(\$ million)

FY	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Unrestricted Petroleum Revenue										
Petroleum Corporate Income Tax	500.3	543.5	623.6	633.6	643.0	651.9	660.3	668.2	675.8	683.0
Oil and Gas Production Tax	4,386.0	3,595.7	3,305.0	3,758.1	4,039.2	3,651.8	3,408.5	3,199.7	3,016.7	2,814.1
Petroleum Property Tax	111.6	99.3	95.3	92.0	89.1	86.3	83.7	81.7	79.1	76.5
Oil and Gas Royalties-Net ⁽¹⁾	1,853.1	1,847.3	1,839.3	1,845.3	1,748.3	1,629.9	1,534.7	1,471.9	1,392.4	1,313.2
Bonuses, Rents & Interest-Net ⁽¹⁾⁽²⁾	17.8	8.0	12.9	12.9	12.9	12.9	12.9	12.9	12.9	12.9
Petroleum Special Settlements	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Unrestricted Petroleum Revenue	6,868.8	6,093.8	5,876.2	6,342.0	6,532.6	6,032.8	5,700.1	5,434.4	5,176.9	4,899.7
General Fund Unrestricted Non-Petroleum Revenue	607.6	618.9	644.8	677.8	711.5	744.3	777.9	816.7	836.4	870.3
Total Unrestricted General Fund Revenue	7,476.4	6,712.7	6,521.0	7,019.8	7,244.0	6,777.1	6,478.0	6,251.1	6,013.3	5,770.0
% Petroleum of Total Unrestricted General Fund Revenue	92%	91%	90%	90%	90%	89%	88%	87%	86%	85%
Cumulative Unrestricted Petroleum Revenue⁽³⁾	109,116	115,210	121,086	127,428	133,960	139,993	145,693	151,128	156,305	161,204

⁽¹⁾ Royalties, bonuses, rents and interest are net of Permanent Fund contribution and Constitutional Budget Reserve Fund (CBRF) deposits.⁽²⁾ This category is primarily composed of petroleum revenue.⁽³⁾ The cumulative Unrestricted General Fund petroleum revenue total is based on revenue beginning in FY 1959.

A-2 Petroleum Revenue

(Figure A-5b in Fall 2012 RSB)

(\$ million)

FY	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Unrestricted Petroleum Revenue										
Petroleum Corporate Income Tax	500.3	543.5	623.6	633.6	643.0	651.9	660.3	668.2	675.8	683.0
Oil and Gas Production Tax	4,378.3	3,589.0	3,298.5	3,751.7	4,033.1	3,646.2	3,403.1	3,194.6	3,011.9	2,809.7
Oil and Gas Hazardous Release	7.7	6.7	6.5	6.4	6.1	5.6	5.4	5.1	4.7	4.4
Oil and Gas Conservation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Petroleum Property Tax	111.6	99.3	95.3	92.0	89.1	86.3	83.7	81.7	79.1	76.5
Oil & Gas Royalties	1,853.1	1,847.3	1,839.3	1,845.3	1,748.3	1,629.9	1,534.7	1,471.9	1,392.4	1,313.2
Bonuses, Rents & Interest	17.8	8.0	12.9	12.9	12.9	12.9	12.9	12.9	12.9	12.9
Total Unrestricted Petroleum Revenue	6,868.8	6,093.8	5,876.2	6,342.0	6,532.6	6,032.8	5,700.1	5,434.4	5,176.9	4,899.7
Restricted Petroleum Revenue										
NPR-A Rents, Royalties, Bonuses	4.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9
Royalties to AK Permanent Fund	766.4	798.8	793.4	796.5	751.2	694.9	652.0	618.5	579.4	542.5
Royalties to Public School Fund	13.3	13.3	13.3	13.3	12.6	11.7	11.1	10.6	10.0	9.4
CBRF Deposits	284.6	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0
Total Restricted Petroleum Revenue	1,069.1	836.0	830.6	833.8	787.7	730.6	686.9	652.9	703.3	575.8
Total Petroleum Revenue	7,937.9	6,929.8	6,706.8	7,175.8	7,320.3	6,763.4	6,387.0	6,087.3	5,880.2	5,475.5

A-3 Crude Oil Prices

(Figure B-1b in Fall 2012 RSB)

(\$ per barrel)

WTI, ANS West Coast, ANS and Cook Inlet Wellhead Prices**Nominal⁽¹⁾**

FY	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
WTI	91.99	98.79	102.83	107.24	110.27	112.74	114.88	117.10	119.38	121.77
ANS West Coast Spot	109.21	109.61	111.67	114.88	116.22	117.16	118.29	119.74	121.42	123.34
ANS Wellhead Wtd Average All Destinations	99.66	100.74	102.63	105.46	106.47	107.22	108.06	109.06	110.34	111.91

Real 2013 \$

FY	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
WTI	91.99	96.38	97.88	99.58	99.90	99.64	99.06	98.51	97.98	97.51
ANS West Coast Spot	109.21	106.94	106.29	106.68	105.29	103.55	102.00	100.73	99.65	98.76
ANS Wellhead Wtd Average All Destinations	99.66	98.29	97.69	97.93	96.45	96.45	93.18	91.75	90.56	89.61

⁽¹⁾ The forecast is made in real dollars, and then adjusted for inflation using Callan Associates Inc.'s inflation rate of 2.5% for FY 2014 and beyond.

A-4 Netback Costs ⁽¹⁾

(Figure B-2b in Fall 2012 RSB)

(\$ per barrel)

FY	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Marine Costs	3.68	3.65	3.71	3.77	3.79	3.83	3.86	3.91	3.95	4.00
Taps Tariff	5.70	5.09	5.21	5.45	5.63	5.82	6.09	6.43	6.80	7.18
Feeder Tariff	0.40	0.34	0.33	0.33	0.44	0.45	0.45	0.52	0.53	0.47
Quality Bank	-0.74	-0.74	-0.75	-0.77	-0.78	-0.78	-0.78	-0.79	-0.80	-0.81
Other ⁽²⁾	0.52	0.53	0.54	0.64	0.66	0.63	0.61	0.60	0.60	0.60
Sum of Netback Costs	9.56	8.87	9.03	9.42	9.75	9.95	10.24	10.67	11.08	11.44

⁽¹⁾ For forecast purposes netback costs are assumed to apply to all barrels sold. The sum of forecasted netback costs equals the difference between the forecasted ANS West Coast price and Wellhead Price.

⁽²⁾ Other costs primarily include tanker and pipeline losses.

A-5 Price Differences from Fall 2012 Forecast

(Figure B-3 in Fall 2012 RSB)

(\$ per barrel)

FY	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Spring 2013 Forecast										
WTI	91.99	98.79	102.83	107.24	110.27	112.74	114.88	117.10	119.38	121.77
ANS West Coast	109.21	109.61	111.67	114.88	116.22	117.16	118.29	119.74	121.42	123.34
ANS Wellhead Wtd Average All Destinations	99.66	100.74	102.63	105.46	106.47	107.22	108.06	109.06	110.34	111.91
Fall 2012 Forecast										
WTI	91.79	98.79	102.83	107.24	110.27	112.74	114.88	117.10	119.38	121.77
ANS West Coast	108.67	109.61	111.67	114.88	116.22	117.16	118.29	119.74	121.42	123.34
ANS Wellhead Wtd Average All Destinations	99.24	100.80	102.70	105.54	106.53	107.28	108.12	109.20	110.49	112.02
\$ change from prior forecast										
WTI	0.20	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ANS West Coast	0.54	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ANS Wellhead Wtd Average All Destinations	0.42	-0.06	-0.07	-0.08	-0.06	-0.06	-0.06	-0.14	-0.15	-0.11
Percent change from prior forecast										
WTI	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
ANS West Coast	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
ANS Wellhead Wtd Average All Destinations	0.4%	-0.1%	-0.1%	-0.1%	-0.1%	-0.1%	-0.1%	-0.1%	-0.1%	-0.1%

A-6 Production Differences from Fall 2012 Forecast

(Figure C-1 in Fall 2012 RSB)

(thousand barrels per day)

FY	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Spring 2013 Forecast										
Alaska North Slope	538.3	526.6	512.8	499.7	476.9	443.3	422.4	399.4	372.3	344.5
Cook Inlet	10.4	9.6	8.9	8.3	7.7	7.2	6.7	6.3	5.9	5.6
Total	548.7	536.2	521.6	508.0	484.5	450.4	429.1	405.8	378.3	350.1
Fall 2012 Forecast										
Alaska North Slope	552.8	538.4	518.6	499.7	476.1	442.9	421.6	394.8	365.9	338.5
Cook Inlet	10.4	9.6	8.9	8.3	7.7	7.2	6.7	6.3	5.9	5.6
Total	563.2	548.0	527.5	508.0	483.8	450.1	428.3	401.1	371.8	344.1
Volume change from prior forecast										
Alaska North Slope	-14.5	-11.8	-5.8	0.0	0.8	0.4	0.8	4.6	6.4	6.0
Cook Inlet	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	-14.5	-11.8	-5.8	0.0	0.8	0.4	0.8	4.6	6.4	6.0
Percent change from prior forecast										
Alaska North Slope	-2.7%	-2.2%	-1.1%	0.0%	0.2%	0.1%	0.2%	1.2%	1.7%	1.7%
Cook Inlet	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total	-2.6%	-2.2%	-1.1%	0.0%	0.2%	0.1%	0.2%	1.1%	1.7%	1.7%

A-7 Crude Oil Production

(Figure C-2b in Fall 2012 RSB)

(thousand barrels per day)

FY	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Prudhoe Bay ⁽¹⁾	254.7	244.1	243.9	240.3	228.8	218.1	207.8	197.0	186.9	177.3
PBU Satellites ⁽²⁾	45.1	44.4	41.6	38.9	36.3	33.1	30.3	27.9	25.8	23.8
GPMA ⁽³⁾	26.6	25.5	23.4	21.1	19.2	17.6	16.4	15.3	14.3	13.4
Kuparuk	85.8	84.8	82.8	79.0	75.3	71.7	68.3	65.0	61.3	56.2
Kuparuk Satellites ⁽⁴⁾	24.8	23.5	21.9	21.8	20.7	18.6	16.4	14.7	13.2	12.0
Endicott ⁽⁵⁾	10.4	10.1	10.8	10.5	8.8	7.6	6.8	6.1	5.5	5.0
Alpine ⁽⁶⁾	66.7	64.3	60.3	60.5	55.5	47.2	40.1	34.4	29.8	26.0
Offshore ⁽⁷⁾	24.2	30.0	28.0	26.2	24.2	21.8	19.8	18.0	16.4	15.1
NPR-A	0.0	0.0	0.0	0.0	0.0	0.1	9.8	11.2	7.5	5.1
Point Thomson	0.0	0.0	0.0	1.5	8.0	7.4	6.8	9.9	11.5	10.7
Total ANS	538.3	526.6	512.8	499.7	476.9	443.3	422.4	399.4	372.3	344.5
Cook Inlet	10.4	9.6	8.9	8.3	7.7	7.2	6.7	6.3	5.9	5.6
Total Alaska	548.7	536.2	521.6	508.0	484.5	450.4	429.1	405.8	378.3	350.1

⁽¹⁾ Includes NGLs from Central Gas Facility shipped to TAPS.

⁽²⁾ Aurora, Borealis, Midnight Sun, Orion, Polaris, Milne Point, Sag River, Schrader Bluff, Ugnu

⁽³⁾ Lisburne, Niakuk, Point McIntyre, Raven, West Beach, West Niakuk

⁽⁴⁾ Meltwater, NEWS, Tabasco, Tarn, West Sak

⁽⁵⁾ Endicott, Minke, Sag Delta, Eider, Badami

⁽⁶⁾ Alpine, Fiord, Nanuq, Qannik, Mustang (after 2016)

⁽⁷⁾ Northstar, Oooguruk, Nikaitchuq, Liberty (delayed)

A-8 Oil Production on Alaska's North Slope

(Figure 4-10 in Fall 2012 RSB)

(thousands of barrels per day)

FY	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Currently Producing	521.7	474.1	433.9	401.1	367.4	337.9	312.2	289.9	269.6	251.2
Decline Rate of Currently Producing	-9.9%	-9.1%	-8.5%	-7.6%	-8.4%	-8.0%	-7.6%	-7.2%	-7.0%	-6.8%
Risk Adjusted New Oil	16.6	52.5	78.8	98.7	109.4	105.4	110.1	109.6	102.7	93.3
Risk Adjusted Total Forecast	538.3	526.6	512.8	499.7	476.9	443.3	422.4	399.4	372.3	344.5
Anticipated Net Rate of Decline	-7.0%	-2.2%	-2.6%	-2.5%	-4.6%	-7.0%	-4.7%	-5.4%	-6.8%	-7.5%
New Oil Share of Total Production	3.1%	10.0%	15.4%	19.7%	23.0%	23.8%	26.1%	27.4%	27.6%	27.1%