

ALASKA STATE LEGISLATURE

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REPRESENTATIVE STEVE THOMPSON HOUSE DISTRICT 2

Sponsor Statement HB 87

“An Act extending the liquefied natural gas storage facility tax credit; and providing for an effective date.”

For years, the high cost of energy has been a burden on Interior Alaska’s economy. In 2012, the Legislature passed legislation incentivizing the development of liquefied natural gas storage facilities to help lower the cost of energy (Chapter 51 SLA 12). That legislation created tax credits for LNG storage facilities constructed above-ground with 25,000 gallons or more of storage, creating savings that will be passed on to rate payers. The amount of the credit is limited to 50% of construction costs up to \$15 million.

House Bill 87 extends the sunset date of the previous legislation by 18 months in order to allow projects currently under construction to receive these credits, lowering the cost of energy for rate payers in Interior Alaska, and encouraging the use of clean burning natural gas.

I urge you to join me in lowering Interior Alaska’s energy costs and helping to improve air quality in the Interior by supporting House Bill 87.