

**Title: Oil and Gas Tax Credits vs Production Tax,  
FY 2018 - FY 2020**

For Representative Gara

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Purpose: To show production tax revenue received by the State and the production tax net of credits earned based on qualifying activity during the fiscal year.

Data Source: Fall 2016 Revenue Sources Book, pgs. 24-25, 77-80, and supporting data/analysis

Key Assumptions: Production tax amounts are total production tax revenues received by the State in the fiscal year after all credits against liability have been applied, but not including tax credits applied against liability that were based on activity in a previous fiscal year. "Credits earned" include credits earned for qualifying activity during the fiscal year. "Credits earned" are credits that will be available for state purchase or available to reduce tax liability, but may not necessarily be repurchased or applied against tax liability in the fiscal year in which they were earned.

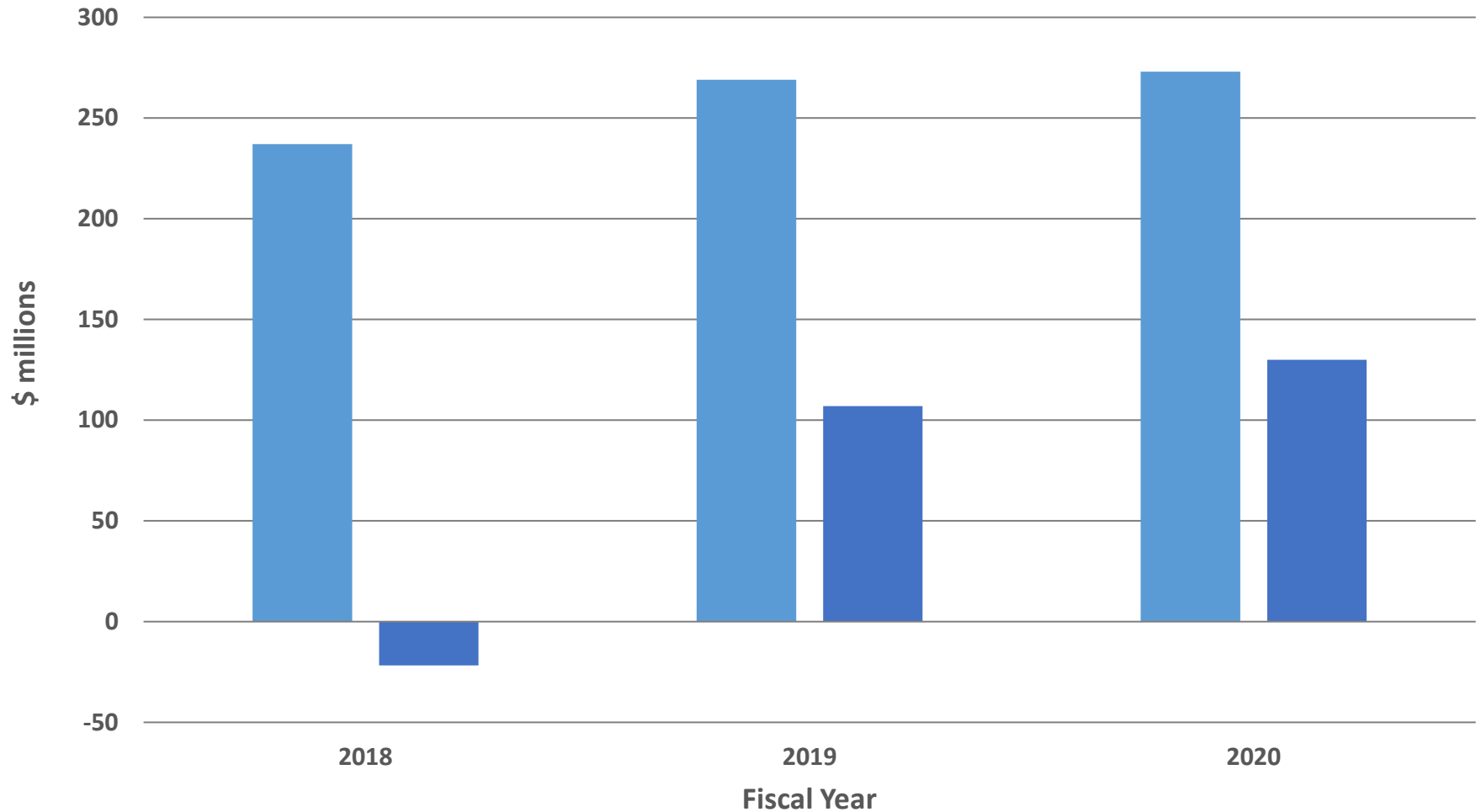
"Credits earned" are made up of credits from the North Slope and Non-North Slope areas, including Gas/LNG Storage and refinery credits under AS 43.20.

History: This is the first version of this analysis and accompanying chart.

Disclaimer: The Department of Revenue is in the process of reviewing and updating the data on which this analysis is based. As a result, future analysis could have different results.

## Oil and Gas Tax Credits vs Production Tax, FY 2018 - FY 2020

As requested by Representative Gara



■ Production tax received by the state based on current year activity<sup>1</sup>  
■ Production tax net of tax credits earned based on current year activity<sup>2</sup>

<sup>1</sup> Actual production tax revenue received, but not including tax credits applied against liability that were based on activity in a previous fiscal year

<sup>2</sup> Production tax credits earned during the fiscal year that will be eligible for refund or application against a liability in a future year

### Oil and Gas Tax Credits vs Production Tax, FY 2018 - FY 2020

		\$ Millions		
		Fiscal Year		
		2018	2019	2020
Production tax received by the state based on current year activity	1	\$ 237	\$ 269	\$ 273
Credits Earned - North Slope		\$ 178	\$ 125	\$ 109
Credits Earned - Non-North Slope		\$ 81	\$ 37	\$ 34
Credits Earned - Total		\$ 259	\$ 162	\$ 143
Production tax net of tax credits earned based on current year activity	2	\$ (22)	\$ 107	\$ 130

<sup>1</sup> Actual production tax revenue received, but not including tax credits applied against liability that were based on activity in a previous fiscal year

<sup>2</sup> Production tax credits earned during the fiscal year that will be eligible for refund or application against a liability in a future year