

Kevin Meyer
Lieutenant Governor
State Capitol
Juneau, Alaska 99811
907.465.3520
WWW.LTGOV.ALASKA.GOV



530 West 7th Ave, Suite 1700
Anchorage, Alaska 99501
907.269.7460
LT.GOVERNOR@ALASKA.GOV

**OFFICE OF THE LIEUTENANT GOVERNOR
ALASKA**

MEMORANDUM

TO: Genevieve Wojtusik
Department of Revenue

FROM: April Simpson, Office of the Lieutenant Governor
465.4081

A handwritten signature in blue ink, likely belonging to April Simpson, is written over the "FROM:" line.

DATE: August 21, 2020

RE: Filed Permanent Regulations: Department of Revenue

Department of Revenue Regulation re: Tax Division: Repeal of Stale Regulations
Related to Oil & Gas Production Tax and Corporate Income Tax (15 AAC 10, 20, 21,
55)

Attorney General File:	2019200367
Regulation Filed:	8/21/2020
Effective Date:	9/20/2020
Print:	235, October 2020

cc with enclosures: Harry Hale, Department of Law
Judy Herndon, LexisNexis
John M. Larsen, Audit Master

ORDER ADOPTING CHANGES TO REGULATIONS
OF THE DEPARTMENT OF REVENUE

The attached 30 pages of regulations, dealing with repeals and conforming changes to existing regulations, are adopted and certified to be a correct copy of the regulation changes that the Department of Revenue adopts under the authority of AS 43.05.080, AS 43.10.160, AS 43.20.160, and AS 43.55.110 and after compliance with the Administrative Procedure Act (AS 44.62), specifically including notice under AS 44.62.190 and 44.62.200 and opportunity for public comment under AS 44.62.210.

This action is not expected to require an increased appropriation.

In considering comments, the Department of Revenue paid special attention to the cost to private persons of the regulatory action being taken.

The regulation changes adopted under this order take effect on the 30th day after they have been filed by the lieutenant governor, as provided in AS 44.62.180.

Date:

8/3/20

Lucinda Mahoney

Lucinda Mahoney
Commissioner
Department of Revenue

April Simpson for

FILING CERTIFICATION

I, Kevin Meyer, Lieutenant Governor for the State of Alaska, certify that on

August 21, 2020, at 3:02 pm., I filed the attached regulations according to the provisions of AS 44.62.040 - 44.62.120.

for April Simpson
for Lieutenant Governor Kevin Meyer

Effective: September 20, 2020.

Register: 235, October 2020.

FOR DELEGATION OF THE LIEUTENANT GOVERNOR'S AUTHORITY

**I, KEVIN MEYER, LIEUTENANT GOVERNOR OF THE STATE OF ALASKA,
designate the following state employees to perform the Administrative Procedures Act
filing functions of the Office of the Lieutenant Governor:**

**Josh Applebee, Chief of Staff
Kady Levale, Notary Administrator
April Simpson, Regulations and Initiatives Specialist**

**IN TESTIMONY WHEREOF, I have
signed and affixed the Seal of the State of
Alaska, in Juneau, on December 11th,
2018.**



A handwritten signature in blue ink, appearing to read "K. Meyer", is written over a dotted line.

**KEVIN MEYER
LIEUTENANT GOVERNOR**

15 AAC 10.010 is repealed:

15 AAC 10.010. Annual affidavit and tax liability security requirements. Repealed.

(Eff. 6/21/78, Register 66; repealed 9 / 20 / 2020, Register 235)

15 AAC 10.020 is repealed:

15 AAC 10.020. Tax liability security requirements. Repealed. (Eff. 6/21/78, Register

66; am 5/16/81, Register 78; repealed 9 / 20 / 2020, Register 235)

15 AAC 10.030 is repealed:

15 AAC 10.030. Annual required security. Repealed. (Eff. 6/12/78, Register 66; am

5/16/81, Register 78; repealed 9 / 20 / 2020, Register 235)

15 AAC 10.035 is repealed:

15 AAC 10.035. Waiver procedures and "good cause". Repealed. (Eff. 5/16/81,

Register 78; repealed 9 / 20 / 2020, Register 235)

15 AAC 10.040 is repealed:

15 AAC 10.040. Tax liability bond requirements. Repealed. (Eff. 6/21/78, Register 66;

repealed 9 / 20 / 2020, Register 235)

15 AAC 10.050 is repealed:

15 AAC 10.050. Collection recourse to the tax liability security held is not required.

Repealed. (Eff. 6/21/78, Register 66; am 5/16/81, Register 78; repealed 9 / 20 / 2020, Register 235)

15 AAC 10.060 is repealed:

15 AAC 10.060. Tax liability security requirement not met. Repealed. (Eff. 6/21/78, Register 66; am 5/16/81, Register 78; repealed 9 / 20 / 2020, Register 235)

15 AAC 10.070 is repealed:

15 AAC 10.070. Return of cash deposit or reduction or cancellation of tax liability bond. Repealed. (Eff. 6/21/78, Register 66; am 5/16/81, Register 78; repealed 9 / 20 / 2020, Register 235)

15 AAC 20.150 is repealed:

15 AAC 20.150. Requirement to file returns electronically. Repealed. (Eff. 10/25/2015, Register 216; repealed 9 / 20 / 2020, Register 235)

15 AAC 20.530 is repealed:

15 AAC 20.530. Gas exploration and development tax credit. Repealed. (Eff. 3/25/2004, Register 169; repealed 9 / 20 / 2020, Register 235)

The introductory language of 15 AAC 20.900(c) is amended to read:

(c) For purposes of AS 43.20.144 and 15 AAC 20.410 – 15 AAC 20.520,

[AS 43.20.043, 43.20.144, and 15 AAC 20.410 - 15 AAC 20.530,]

...

(Eff. 7/2/77, Register 62; am 3/6/98, Register 145; am 3/25/2004, Register 169; am

9 / 20 / 2020, Register 235)

Authority: AS 43.05.080

[AS 43.20.043]

AS 43.20.145

AS 43.19.010

AS43.20.144

↑
#

15 AAC 21.001 is repealed:

15 AAC 21.001. Findings of fact. Repealed. (Eff. 2/22/79, Register 69; am 5/21/81, Register 78; am 3/26/82, Register 81; repealed 9 / 20 / 2020, Register 235)

15 AAC 21.003 is repealed:

15 AAC 21.003. Determinations based on findings of fact. Repealed. (Eff. 2/22/79, Register 69; am 5/21/81, Register 78; am 3/26/82, Register 81; repealed 9 / 20 / 2020, Register 235)

15 AAC 21.005 is repealed:

15 AAC 21.005. Requirement of alternative allocation and apportionment method. Repealed. (Eff. 2/22/79, Register 69; am 5/21/81, Register 78; repealed 9 / 20 / 2020, Register 235)

15 AAC 21.010 is repealed:

15 AAC 21.010. Persons subject to this chapter. Repealed. (Eff. 2/22/79, Register 69; am 5/21/81, Register 78; am 3/26/82, Register 81; repealed 9 / 20 / 2020, Register 235)

15 AAC 21.020 is repealed:

15 AAC 21.020. Taxpayers having income from other activities. Repealed. (Eff. 2/22/79, Register 69; repealed 9 / 20 / 2020, Register 235)

15 AAC 21.030 is repealed:

15 AAC 21.030. Consolidated business. Repealed. (Eff. 2/22/79, Register 69; am 5/21/81, Register 78; repealed 9 / 20 / 2020, Register 235)

15 AAC 21.040 is repealed:

15 AAC 21.040. Attribution of income. Repealed. (Eff. 2/22/79, Register 69; repealed 9 / 20 / 2020, Register 235)

15 AAC 21.050 is repealed:

15 AAC 21.050. Net taxable income. Repealed. (Eff. 2/22/79, Register 69; repealed 9 / 20 / 2020, Register 235)

15 AAC 21.060 is repealed:

→ **15 AAC 21.060. Surtax exemption.** Repealed. (Eff. 2/22/79, Register 69; repealed 9 / 20 / 2020, Register 235)

((insert 0.5" tab))

15 AAC 21.065 is repealed:

15 AAC 21.065. Tax rates. Repealed. (Eff. 3/26/82, Register 81; repealed 9 / 20 / 2020, Register 235)

15 AAC 21.070 is repealed:

15 AAC 21.070. Treatment of net losses realized under this chapter. Repealed. (Eff. 2/22/79, Register 69; am 3/26/82, Register 81; repealed 9 / 20 / 2020, Register 235)

15 AAC 21.100 is repealed:

15 AAC 21.100. Taxable production income. Repealed. (Eff. 2/22/79, Register 69; repealed 9 / 20 / 2020, Register 235)

15 AAC 21.110 is repealed:

15 AAC 21.110. Gross production revenue. Repealed. (Eff. 2/22/79, Register 69; repealed 9 / 20 / 2020, Register 235)

15 AAC 21.120 is repealed:

15 AAC 21.120. Value at the point of production. Repealed. (Eff. 2/22/79, Register 69; am 5/21/81, Register 78; repealed 9 / 20 / 2020, Register 235)

15 AAC 21.122 is repealed:

15 AAC 21.122. Sales price. Repealed. (Eff. 5/21/81, Register 78; repealed

9 / 20 / 2020, Register 235)

15 AAC 21.124 is repealed:

15 AAC 21.124. Prevailing value for oil. Repealed. (Eff. 5/21/81, Register 78; repealed

9 / 20 / 2020, Register 235)

15 AAC 21.125 is repealed:

15 AAC 21.125. Prevailing value for gas. Repealed. (Eff. 5/21/81, Register 78; repealed

9 / 20 / 2020, Register 235)

15 AAC 21.128 is repealed:

15 AAC 21.128. Choice of methods for determining reasonable cost of

transportation. Repealed. (Eff. 5/21/81, Register 78; repealed 9 / 20 / 2020, Register 235)

15 AAC 21.130 is repealed:

15 AAC 21.130. Calculation of reasonable costs of transportation. Repealed. (Eff.

2/22/79, Register 69; am 5/21/81, Register 78; repealed 9 / 20 / 2020, Register 235)

15 AAC 21.140 is repealed:

15 AAC 21.140. Extraordinary production revenue (or loss). Repealed. (Eff. 2/22/79, Register 69; repealed 9 / 20 / 2020, Register 235)

15 AAC 21.200 is repealed:

15 AAC 21.200. Deductions from gross production revenue - In general. Repealed. (Eff. 2/22/79, Register 69; repealed 9 / 20 / 2020, Register 235)

15 AAC 21.210 is repealed:

15 AAC 21.210. Deduction for royalty. Repealed. (Eff. 2/22/79, Register 69; repealed 9 / 20 / 2020, Register 235)

15 AAC 21.215 is repealed:

15 AAC 21.215. Deduction for Native corporation revenue sharing. Repealed. (Eff. 3/26/82, Register 81; repealed 9 / 20 / 2020, Register 235)

15 AAC 21.220 is repealed:

15 AAC 21.220. Deduction for production taxes. Repealed. (Eff. 2/22/79, Register 69; repealed 9 / 20 / 2020, Register 235)

15 AAC 21.230 is repealed:

15 AAC 21.230. Deduction for ad valorem taxes. Repealed. (Eff. 2/22/79, Register 69; repealed 9 / 20 / 2020, Register 235)

15 AAC 21.235 is repealed:

15 AAC 21.235. Deduction for crude oil windfall profit tax. Repealed. (Eff. 3/26/82,

Register 81; repealed 9 / 20 / 2020, Register 235)

↑
;

15 AAC 21.240 is repealed:

15 AAC 21.240. Deduction for direct operating costs. Repealed. (Eff. 2/22/79, Register

69; repealed 9 / 20 / 2020, Register 235)

15 AAC 21.250 is repealed:

15 AAC 21.250. Deduction for acquisition costs. Repealed. (Eff. 2/22/79, Register 69;

am 3/26/82, Register 81; repealed 9 / 20 / 2020, Register 235)

15 AAC 21.260 is repealed:

15 AAC 21.260. Deduction for development costs. Repealed. (Eff. 2/22/79, Register

69; repealed 9 / 20 / 2020, Register 235)

15 AAC 21.270 is repealed:

15 AAC 21.270. Deduction for exploration costs. Repealed. (Eff. 2/22/79, Register 69;

repealed 9 / 20 / 2020, Register 235)

15 AAC 21.280 is repealed:

→ **15 AAC 21.280. Deduction for uncapitalized interest.** Repealed. (Eff. 2/22/79, Register 69; am

3/26/82, Register 81; repealed 9 / 20 / 2020, Register 235)

CC insert 0.5" tab))

15 AAC 21.290 is repealed:

15 AAC 21.290. Deduction for general overhead and administrative expense.

Repealed. (Eff. 2/22/79, Register 69; am 3/26/82, Register 81; repealed 9 / 20 / 2020,

Register 235)

15 AAC 21.300 is repealed:

15 AAC 21.300. Taxable oil pipeline income. Repealed. (Eff. 2/22/79, Register 69;

repealed 9 / 20 / 2020, Register 235)

15 AAC 21.310 is repealed:

15 AAC 21.310. Operating revenues (oil pipelines). Repealed. (Eff. 2/22/79, Register

69; repealed 9 / 20 / 2020, Register 235)

15 AAC 21.320 is repealed:

15 AAC 21.320. Extraordinary operating revenues and losses (oil pipelines).

Repealed. (Eff. 2/22/79, Register 69; am 5/21/81, Register 78; repealed 9 / 20 / 2020,

Register 235)

15 AAC 21.350 is repealed:

15 AAC 21.350. Operating expenses (oil pipeline). Repealed. (Eff. 2/22/79, Register

69; am 8/29/85, Register 95; repealed 9 / 20 / 2020, Register 235)

15 AAC 21.400 is repealed:

15 AAC 21.400. Taxable gas pipeline income. Repealed. (Eff. 2/22/79, Register 69; repealed 9 / 20 / 2020, Register 235)

15 AAC 21.410 is repealed:

15 AAC 21.410. Operating revenues (gas pipelines). Repealed. (Eff. 2/22/79, Register 69; repealed 9 / 20 / 2020, Register 235)

15 AAC 21.420 is repealed:

15 AAC 21.420. Extraordinary operating revenues and losses (gas pipelines). Repealed. (Eff. 2/22/79, Register 69; repealed 9 / 20 / 2020, Register 235)

15 AAC 21.450 is repealed:

15 AAC 21.450. Operating expenses (gas pipelines). Repealed. (Eff. 2/22/79, Register 69; am 5/21/81, Register 78; repealed 9 / 20 / 2020, Register 235)

15 AAC 21.500 is repealed:

15 AAC 21.500. Taxable apportioned income. Repealed. (Eff. 2/22/79, Register 69; repealed 9 / 20 / 2020, Register 235)

15 AAC 21.510 is repealed:

15 AAC 21.510. Apportionable income. Repealed. (Eff. 2/22/79, Register 69; am 5/21/81, Register 78; am 3/26/82, Register 81; repealed 9 / 20 / 2020, Register 235)

15 AAC 21.520 is repealed:

15 AAC 21.520. Three-factor formula for apportionment. Repealed. (Eff. 2/22/79, Register 69; repealed 9 / 20 / 2020, Register 235)

15 AAC 21.530 is repealed:

15 AAC 21.530. Property factor. Repealed. (Eff. 2/22/79, Register 69; am 5/21/81, Register 78; am 3/26/82, Register 81; repealed 9 / 20 / 2020, Register 235)

15 AAC 21.540 is repealed:

15 AAC 21.540. Payroll factor. Repealed. (Eff. 2/22/79, Register 69; am 3/26/82, Register 81; repealed 9 / 20 / 2020, Register 235)

15 AAC 21.550 is repealed:

15 AAC 21.550. Sales factor. Repealed. (Eff. 2/22/79, Register 69; repealed 9 / 20 / 2020, Register 235)

15 AAC 21.600 is repealed:

15 AAC 21.600. General rule. Repealed. (Eff. 2/22/79, Register 69; repealed 9 / 20 / 2020, Register 235)

15 AAC 21.610 is repealed:

15 AAC 21.610. Notice of commencement of taxable activity. Repealed. (Eff. 2/22/79, Register 69; repealed 9 / 20 / 2020, Register 235)

15 AAC 21.620 is repealed:

15 AAC 21.620. Partial years. Repealed. (Eff. 2/22/79, Register 69; repealed 9 / 20 / 2020, Register 235)

15 AAC 21.630 is repealed:

15 AAC 21.630. Expenses and net operating losses under the old tax. Repealed. (Eff. 2/22/79, Register 69; am 3/26/82, Register 81; repealed 9 / 20 / 2020, Register 235)

15 AAC 21.640 is repealed:

15 AAC 21.640. Installments under the old tax. Repealed. (Eff. 2/22/79, Register 69; repealed 9 / 20 / 2020, Register 235)

15 AAC 21.650 is repealed:

15 AAC 21.650. Net operating loss carryovers from AS 43.20. Repealed. (Eff. 3/26/82, Register 81; repealed 9 / 20 / 2020, Register 235)

15 AAC 21.660 is repealed:

15 AAC 21.660. Net operating loss carrybacks from AS 43.20. Repealed. (Eff.

3/26/82, Register 81; repealed 9 / 20 / 2020, Register 235)

15 AAC 21.700 is repealed:

15 AAC 21.700. Returns and assessments. Repealed. (Eff. 2/22/79, Register 69; am

5/21/81, Register 78; repealed 9 / 20 / 2020, Register 235)

15 AAC 21.710 is repealed:

15 AAC 21.710. Payments; installments. Repealed. (Eff. 2/22/79, Register 69; am

5/21/81, Register 78; am 9/15/82, Register 83; repealed 9 / 20 / 2020, Register 235)

15 AAC 21.720 is repealed:

15 AAC 21.720. Refunds. Repealed. (Eff. 2/22/79, Register 69; am 3/26/82, Register 81;

repealed 9 / 20 / 2020, Register 235)

15 AAC 21.730 is repealed:

15 AAC 21.730. Computation of interest. Repealed. (Eff. 2/22/79, Register 69; am

3/26/82, Register 81; repealed 9 / 20 / 2020, Register 235)

15 AAC 21.740 is repealed:

15 AAC 21.740. Civil penalties. Repealed. (Eff. 2/22/79, Register 69; am 5/21/81,

Register 78; repealed 9 / 20 / 2020, Register 235)

15 AAC 21.750 is repealed:

15 AAC 21.750. Relief. Repealed. (Eff. 2/22/79, Register 69; am 3/26/82, Register 81; repealed 9 / 20 / 2020, Register 235)

15 AAC 21.800 is repealed:

15 AAC 21.800. Application to the 1978 tax year. Repealed. (Eff. 2/22/79, Register 69; repealed 9 / 20 / 2020, Register 235)

15 AAC 21.810 is repealed:

15 AAC 21.810. Statute of limitations. Repealed. (Eff. 2/22/79, Register 69; am 3/26/82, Register 81; repealed 9 / 20 / 2020, Register 235)

15 AAC 21.820 is repealed:

15 AAC 21.820. Fiscal-year taxpayers. Repealed. (Eff. 2/22/79, Register 69; repealed 9 / 20 / 2020, Register 235)

15 AAC 21.900 is repealed:

15 AAC 21.900. Definitions. (Eff. 2/22/79, Register 69; am 5/21/81, Register 78; am 4/14/82, Register 82; repealed 9 / 20 / 2020, Register 235)

15 AC 55.151(b)(2)(A) is repealed:

A

(A) repealed 9 / 20 / 2020;

(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 5/3/2007, Register 182; am 4/30/2010, Register 194; am

9 / 20 / 2020, Register 235)

Authority: AS 43.05.080 AS 43.55.110 AS 43.55.900
AS 43.55.020 AS 43.55.150

15 AAC 55.173(i) is repealed:

(i) Repealed 9 / 20 / 2020.

(Eff. 1/1/95, Register 132; am 1/1/2000, Register 152; am 1/1/2003, Register 164; am 5/3/2007, Register 182; am 10/1/2008, Register 187; am 4/30/2010, Register 194; am 9 / 20 / 2020, Register 235)

Authority: AS 43.05.080 AS 43.55.030 AS 43.55.110
AS 43.55.020 AS 43.55.040

15 AAC 55.180 is repealed:

15 AAC 55.180. Choice of methods for determining reasonable cost of transportation for oil and gas produced before July 1, 2007. Repealed. (Eff. 1/6/80, Register 73; am 1/1/95, Register 132; am 1/1/2000, Register 152; am 4/30/2010, Register 194; repealed 9 / 20 / 2020, Register 235)

15 AAC 55.191 is repealed:

15 AAC 55.191. Calculation of reasonable costs of transportation for oil or gas produced before July 1, 2007. Repealed. (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 5/3/2007, Register 182; am 4/30/2010, Register 194; am 3/1/2017, Register 221; am 1/1/2020, Register 232; repealed 9 / 20 / 2020, Register 235)

15 AAC 55.192(a)(2) is amended to read:

(2) any of the following methods as applicable:

(A) for transportation described in [15 AAC 55.191(b)(1), (2), (4)(A), OR (5) OR] 15 AAC 55.193(b)(1), (2), (4)(A), or (5),

(i) use of the actual or reasonable costs of transportation, as applicable, of the oil and gas produced or shipped during the month in question and that are allowable under [THE APPLICABLE PROVISION OF 15 AAC 55.191 OR] 15 AAC 55.193; or

(ii) use of the per barrel, per Mcf, or per MMBTU annual average of the actual or reasonable costs of transportation, as applicable, for the oil or gas produced or shipped during the calendar year and that are allowable under [THE APPLICABLE PROVISION OF 15 AAC 55.191 OR] 15 AAC 55.193;

(B) for transportation described in [15 AAC 55.191(b)(3), (4)(B), OR (8) OR] 15 AAC 55.193(b)(3), (4)(B), or (6), use of the per barrel, per Mcf, or per MMBTU annual average of the actual or reasonable costs of transportation, as applicable, of the oil or gas produced or shipped during the calendar year and that are allowable under [THE APPLICABLE PROVISION OF 15 AAC 55.191 OR] 15 AAC 55.193; or

(Eff. 5/3/2007, Register 182; am 4/30/2010, Register 194; am 9 / 20 / 2020, Register 235)

Authority: AS 43.05.080 AS 43.55.150 AS 43.55.160

AS 43.05⁵⁵.110

15 AC 55.193(b)(3)(A) is amended to read:

(A) ~~V~~[✓]oyage and port costs incurred with respect to that transportation, as provided in (d) [(e)] of this section;

(Eff. 4/30/2010, Register 194; am 3/1/2017, Register 221; am 1/1/2020, Register 232; am

9 / 20 / 2020, Register 235)

Authority: AS 43.05.080 AS 43.55.040 AS 43.55.150
AS 43.55.020 AS 43.55.110 AS 43.55.900
AS 43.55.030

15 AAC 55.196(a) is amended to read:

(a) For oil or gas produced on or after January 1, 2003, a cost of capital allowance that consists of depreciation and a return on invested capital will be allowed under this section, as provided in ~~15 AAC 55.193~~² [15 AAC 55.191 OR] ¹15 AAC 55.193¹ [AS APPLICABLE,] for a (1) vessel, or an improvement completed on or after January 1, 2002 to a vessel, owned or effectively owned by the producer; or (2) LNG transportation facility owned or effectively owned by the producer and placed in service after December 31, 2010, or an improvement to that facility. However, a producer may elect to expense the first \$2,000,000 in costs incurred with respect to improvements during a calendar year.

(Eff. 1/1/2003, Register 164; am 1/1/2004, Register 168; am 4/30/2010, Register 194; am

12/28/2018, Register 228; am 1/1/2020, Register 232; am 9 / 20 / 2020, Register 235)

Authority: AS 43.05.080 AS 43.55.030 AS 43.55.110

AS 43.55.020

AS 43.55.040

AS 43.55.150

15 AAC 55.205 is repealed:

15 AAC 55.205. Calculation of production tax values for oil and gas produced before July 1, 2007. Repealed. (Eff. 5/3/2007, Register 182; am 10/21/2009, Register 192; repealed 9/20/2020, Register 235)

The introductory language of

15 AAC 55.215(a)(2)(B) is amended to read:

(B) after the latest of 2021, the last calendar year under AS 43.55.024(b)

[AS 43.55, 024(b)] for which the **producer** [PRODUCED] could take a tax credit under

AS 43.55.024(a), and the last calendar year for which AS 43.55.011(p) could limit the

levy of tax under AS 43.55.011(e) for any of the producer's oil or gas, an area of the state

is either

...

(eff. 5/3/2007, Register 182; am 10/21/2009, Register 192; am 12/25/2013, Register 208; am

12/6/2018, Register 228; am 9/20/2020, Register 235)

Authority: AS 43.05.080 AS 43.55.024 AS 43.55.160

AS 43.55.011 AS 43.55.110 AS 43.55.165

The introductory language of

15 AAC 55.217(h)(1) is amended to read:

(1) ~~A~~ lease expenditure incurred by a **producer** [PRODUCT] to conduct

...

(Eff. 12/6/2018, Register 228; am 9/20/2020, Register 235)

Authority: AS 43.05.080 AS 43.55.110 AS 43.55.165
AS 43.55.011 AS 43.55.160 Sec. 35, ch. 3
SSSLA 2017

The editor's note following 15 AAC 55.220 is removed:

~~[EDITOR'S NOTE: THE SUBJECT MATTER OF 15 AAC 55.220 HAS BEEN
RELOCATED TO 15 AAC 55.350.]~~

15 AAC 55.223 is repealed:

15 AAC 55.223. Cook Inlet lease expenditures incurred before July 1, 2007.

Repealed. (Eff. 5/3/2007, Register 182; am 10/21/2009, Register 192; repealed

9 / 20 / 2020, Register 235)

The editor's note following 15 AAC 55.225 is removed:

~~[EDITOR'S NOTE: THE SUBJECT MATTER OF 15 AAC 55.225 HAS BEEN
RELOCATED TO 15 AAC 55.355.]~~

15 AAC 55.250(a) is repealed:

(a) Repealed 9 / 20 / 2020.

The introductory language of 15 AAC 55.250(c) is amended to read:

(c) The activities or purposes referred to in [(a) AND] (b) of this section are

...

15 AAC 55.250(e) is repealed:

(e) Repealed 9 / 20 / 2020.

(Eff. 2/27/2010, Register 193; am 12/4/2010, Register 164; am 9 / 20 / 2020, Register 235)

Authority: AS 43.05.080 AS 43.55.160 AS 43.55.170
AS 43.55.110 AS 43.55.165

The introductory language of 15 AAC 55.260(a) is amended to read:

(a) Except as limited by (d) and (e) of this section, direct charges for purposes of **15 AAC 55.250(b)** [15 AAC 55.250(a) AND (b)] are

...

(Eff. 2/27/2010, Register 193; am 12/4/2010, Register 196; am 9 / 20 / 2020, Register 235)

Authority: AS 43.05.080 AS 43.55.160 AS 43.55.170
AS 43.55.110 AS 43.55.165

15 AAC 55.270 is repealed:

15 AAC 55.270. Overhead before March 1, 2010. Repealed. (Eff. 5/3/2007, Register 182; am 2/27/2010, Register 193; am 12/4/2010, Register 196; repealed 9 / 20 / 2020, Register 235)

15 AAC 55.275(a) is amended to read:

(a) The portion of a producer's expenditures incurred during a calendar year before 2022 that is excluded under AS 43.55.165(e)(18) is calculated separately for each segment under ~~15 AAC 55.206~~ [15 AAC 55.205 OR] ~~15 AAC 55.206~~ [AS APPLICABLE]. Subject to prorating for only a portion of a calendar year as provided under AS 43.55.165(e)(18), the excluded portion for a segment is \$1 less than the product of \$.30 multiplied by the total amount of taxable

(1) oil and gas, in BTU equivalent barrels, produced by the producer from leases or properties corresponding to the segment described in ~~15 AAC 55.206(c)(1)(A)~~ [15 AAC 55.205(c)(1)(A) OR] ~~15 AAC 55.206(c)(1)(A)~~ [AS APPLICABLE,] for that segment;

(2) oil and gas, in BTU equivalent barrels, produced by the producer from leases or properties corresponding to the segment described in ~~15 AAC 55.206(c)(1)(B)~~ [15 AAC 55.205(c)(1)(B) OR] ~~15 AAC 55.206(c)(1)(B)~~ [AS APPLICABLE,] for that segment;

(3) oil, in BTU equivalent barrels, produced by the producer from a lease or property corresponding to a segment described in ~~15 AAC 55.206(c)(1)(C)~~ [15 AAC 55.205(c)(1)(C) OR] ~~15 AAC 55.206(c)(1)(C)~~ [AS APPLICABLE,] for that segment;

(4) gas, in BTU equivalent barrels, produced by the producer from a lease or property corresponding to a segment described in ~~15 AAC 55.206(c)(1)(D)~~ [15 AAC 55.205(c)(1)(D) OR] ~~15 AAC 55.206(c)(1)(D)~~ [AS APPLICABLE,] for that segment;

(5) gas, in BTU equivalent barrels, produced by the producer after June 30, 2007, from a lease or property corresponding to a segment described in 15 AAC 55.206(c)(1)(E), for that segment.

(Eff. 5/3/2007, Register 182; am 10/21/2009, Register 192; am 9 / 20 / 2020,

Register 235)

Authority: AS 43.05.080

AS 43.55.110

AS 43.55.165

AS 43.55.023

15 AAC 55.280(a) is amended to read:

(a) In adjusting a producer's or explorer's lease expenditures for the receipt of a payment or credit for the sale or other transfer of an asset under AS 43.55.170(a)(3)(A), if the acquisition cost of the asset was incurred during a calendar year for which a portion of the producer's or explorer's expenditures was excluded under AS 43.55.165(e)(18) and 15 AAC 55.275, the amount required to be subtracted from the producer's or explorer's lease expenditures under AS 43.55.170(a) is reduced by a fraction of the payment or credit received for the sale or transfer of the asset as provided in this section. That fraction is equal to the quotient of (1) the total of the excluded portions of the producer's or explorer's expenditures described in this section for all segments in the state under ~~15 AAC 55.206~~⁹ [15 AAC 55.205 OR] ~~15 AAC 55.206~~¹ AS APPLICABLE,] divided by (2) the sum of the (A) producer's or explorer's qualified capital expenditures incurred with respect to all segments in the state during the calendar year or portion of the calendar year for which that excluded portion was excluded, plus (B) the amount described in (1) of this subsection.

(Eff. 5/3/2007, Register 182; am 10/21/2009, Register 192; am 12/4/2010, Register 196;

am 9 / 10 / 2020, Register 235)

Authority: AS 43.05.080 AS 43.55.110 AS 43.55.170
AS 43.55.023 AS 43.55.165

15 AAC 55.340 is repealed:

15 AAC 55.340. Cook Inlet credit provisions before July 1, 2007. Repealed. (Eff. 5/3/2007, Register 182; am 10/21/2009, Register 192; repealed 9 / 20 / 2020, Register 235)

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

(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 43.20.043,] AS 43.55.023(*l*) or 43.55.025, except as provided under (c) of this section;

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

(B) claim for a tax credit under AS 43.55.023(*l*) 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 43.55.023(a) or 43.55.025, [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 (*l*), 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).

15 AAC 55.345(d)(2) is amended to read:

(2) state the percentage, if any, of the tax credit that was subtracted in calculating the amount of an installment payment for each month under ~~15 AAC 55.381(b)~~ [15 AAC 55.380(b) OR] 15 AAC 55.381(b), AS APPLICABLE.] (Eff. 5/3/2007, Register 182; am 10/21/2009, Register 192; am 9/14/2012, Register 203; am 3/1/2017, Register 221; am 12/6/2018, Register 228; am 9 / 20 / 2020, Register 235)

Authority: 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 55.350 is repealed:

15 AAC 55.350. Alternative tax credit for exploration expenditures for work performed after June 30, 2003, and before July 1, 2008. Repealed. (Eff. 5/3/2007, Register 182; am 12/25/2009, Register 192; repealed 9 / 20 / 2020, Register 235)

15 AAC 55.355 is repealed:

15 AAC 55.355. Alternative oil and gas exploration tax credit claim for expenditures for work performed after June 30, 2003, and before July 1, 2008. Repealed. (Eff. 5/3/2007, Register 182; am 12/25/2009, Register 192; repealed 9 / 20 / 2020, Register 235)

^{The introductory language of}
15 AAC 55.370(a) is amended to read:

(a) To apply a production tax credit certificate issued under AS 43.55.025 against a production tax liability under AS 43.55.011(e) [OR, FOR OIL AND GAS PRODUCED BEFORE JULY 1, 2007, AS 43.55.011(f)], a producer must submit to the department, with the statement described in AS 43.55.030(a), a written designation, on a form prescribed by the department, stating the

- • •
 ^ (1) ~~amount of tax credit to be applied against the tax liability;~~
 (2) ~~calendar year for which the tax credit is to be applied; and~~
 (3) ~~percentage, if any, of the tax credit that was subtracted in calculating the amount of an installment payment for each month under 15 AAC 55.381(b) [15 AAC 55.380(b) OR 15 AAC 55.381(b), AS APPLICABLE].~~

15 AAC 55.370(a)(3) is amended to read:

- (3) percentage, if any, of the tax credit that was subtracted in calculating the amount of an installment payment for each month under ~~15 AAC 55.381(b)~~, [15 AAC 55.380(b) OR 15 AAC 55.381(b), AS APPLICABLE.]

15 AAC 55.370(b) is amended to read:

(b) On receipt of a written designation under (a) of this section, subject to the provisions of ~~15 AAC 55.341~~, [15 AAC 55.340 OR 15 AAC 55.341, AS APPLICABLE,] the department will apply the designated tax credit against the producer's production tax liability under AS 43.55.011(e) [OR, FOR OIL AND GAS PRODUCED BEFORE JULY 1, 2007, AS 43.55.011(f), AS APPLICABLE,] for the designated calendar year in the order listed under 15 AAC 55.375 or, if the producer submits a schedule under 15 AAC 55.375(c), in the order

listed in that schedule. Subject to the provisions of ~~15 AAC 55.341~~ [15 AAC 55.340 OR 15 AAC 55.341, ⁹ [AS APPLICABLE] ³ an unused amount of a tax credit designated for a calendar year under (a) of this section will be applied as a credit for the next calendar year for which the producer has a tax liability under AS 43.55.011(e) [OR, FOR OIL AND GAS PRODUCED BEFORE JULY 1, 2007, AS 43.55.011(f),] ⁴ in the order listed under 15 AAC 55.375 or listed in the producer's then-current schedule.

(Eff. 5/3/2007, Register 182; am 12/25/2009, Register 192; am 1/1/2018, Register 224; am

9 / 20 / 2020, Register 235)

Authority: AS 43.05.080

AS 43.55.025

AS 43.55.110

AS 43.20.044

15 AAC 55.380 is repealed:

15 AAC 55.380. Subtraction of tax credits in calculation of installment payment of estimated tax for oil and gas produced before July 1, 2007. Repealed. (Eff. 5/3/2007, Register 182; am 10/21/2009, Register 192; repealed 9 / 20 / 2020, Register 235)

15 AAC 55.410(b) is repealed:

(b) Repealed 9 / 20 / 2020.

(Eff. 5/3/2007, Register 182; am 10/21/2009, Register 192; am 12/25/2013, Register 208; am 3/1/2017, Register 221; am 9 / 20 / 2020, Register 235)

Authority: AS 43.05.080

AS 43.55.011

AS 43.55.110

15 AAC 55.420 is repealed:

15 AAC 55.420. Minimum tax for oil and gas produced before July 1, 2007.

Repealed. (Eff. 5/3/2007, Register 182; am 10/21/2009, Register 192; repealed

9 / 20 / 2020, Register 235)

15 AAC 55.430 is repealed:

15 AAC 55.430. Tax based on price index for oil and gas produced before July 1,

2007. Repealed. (Eff. 5/3/2007, Register 182; am 10/21/2009, Register 192; repealed

9 / 20 / 2020, Register 235)

15 AAC 55.510 is repealed:

15 AAC 55.510. Installment payments of estimated tax for oil and gas produced

before July 1, 2007. Repealed. (Eff. 5/3/2007, Register 182; am 10/21/2009, Register 192;

repealed 9 / 20 / 2020, Register 235)

15 AAC 55.800(a)(2) is repealed:

(2) repealed 9 / 20 / 2020;

15 AAC 55.800(a)(4) is repealed:

(4) repealed 9 / 20 / 2020;

15 AAC 55.800(a)(6) is repealed:

(6) repealed 9 / 20 / 2020;

15 AAC 55.800(a)(10) is amended to read:

(10) 15 AAC 55.335 – 15 AAC 55.337 [15 AAC 55.335 – 15 AAC 55.340];

15 AAC 55.800(a)(11) is amended to read:

(11) 15 AAC 55.345 – 15 AAC 55.351 [15 AAC 55.345 – 15 AAC 55.355],

except 15 AAC 55.351(d) as amended effective March 1, 2017, and as amended effective January 1, 2018, and 15 AAC 55.351(e) as adopted effective March 1, 2017;

15 AAC 55.800(a)(12) is amended to read:

(12) 15 AAC 55.370 – 15 AAC 55.375 [15 AAC 55.370 – 15 AAC 55.380],

except 15 AAC 55.370(c), (d), and (e) as amended effective January 1, 2018, apply retroactively to July 28, 2017, and 15 AAC 55.375(a) and (c), as amended effective March 1, 2017;

15 AAC 55.800(a)(14) is repealed:

(14) repealed 9 / 20 / 2020 ;

15 AAC 55.800(a)(15) is repealed:

(15) repealed 9 / 20 / 2020 ;

15 AAC 55.800(a)(17) is repealed:

(17) repealed 9 / 20 / 2020 ;

15 AAC 55.800(c)(13) is repealed:

(13) repealed 9 / 20 / 2020 ;

15 AAC 55.800(c)(14) is repealed:

(14) repealed 9 / 20 / 2020 ;

15 AAC 55.800(e)(4) is repealed:

(4) repealed 9 / 20 / 2020 ;

15 AAC 55.800(g) is repealed:

(g) repealed 9 / 20 / 2020 .

(Eff. 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 3/1/2017, Register 221; am 1/1/2018, Register 224; am 12/6/2018, Register 228; am 1/1/2020, Register 232; am 9 / 20 / 2020 , Register 235)

Authority: AS 43.05.080 Sec. 72, ch. 1, SSSLA 2007 Sec. 41, ch. 3, SSSLA 2017
AS 43.55.110 Sec. 38, ch. 4, 4SSLA 2016 Sec. 42, ch. 3, SSSLA 2017
Sec. 37, ch2, TSSLA 2006

15 AAC 55.805 is repealed:

15 AAC 55.805. Rules for 2007 mid-year statutory changes. Repealed. (Eff. 10/21/2009, Register 192; repealed 9 / 20 / 2020 , Register 235)

15 AAC 55.900(a)(7)(A) is amended to read:

(A) for a producer's oil or gas sold in a bona fide, arm's-length sale to a third party, the point of delivery specified under the terms of the contract or agreement for that sale, except as otherwise provided by 15 AAC 55.151(g) [, OR 15 AAC 55.191(i)];

(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; am 12/25/2013, Register 208; am 3/1/2017, Register 221; am 12/6/2018, Register 228; am 9 / 20 / 2020, Register 235)

Authority:	AS 43.05.080	AS 43.55.025	AS 43.55.165
	AS 43.55.011	AS 43.55.028	AS 43.55.170
	AS 43.55.020	AS 43.55.110	AS 43.55.895
	AS 43.55.023	AS 43.55.150	AS 43.55.900
	AS 43.55.024	AS 43.55.160	

The introductory language of 15 AAC 116.630 is amended to read:

15 AAC 116.630. Administration and enforcement. The provisions of AS 43.05.010 - 43.05.290, AS 43.10.010 - 43.10.200, and 15 AAC 05 [AND 15 AAC 10,] apply to the administration of the assessment imposed by this chapter and they include the following:

...

(Eff. 12/17/82, Register 84; am 9 / 20 / 2020, Register 235)

Authority: AS 16.51.170 AS 43.06.080

MEMORANDUM

State of Alaska Department of Law

To: The Honorable Kevin Meyer
Lieutenant Governor

Date: August 20, 2020

File No.: 2019200367

Tel. No.: 465-3600

From: Susan R. Pollard *SRP*
Chief Assistant Attorney General
and Regulations Attorney
Legislation and Regulations Section

Re: Department of Revenue Regulation
re: 15 AAC 10, 20, 21, 55: Tax
Division: Repeal of Stale Regulations
Related to Oil & Gas Production Tax
and Corporate Income Tax

The Department of Law has reviewed the attached regulations of the Department of Revenue against the statutory standards of the Administrative Procedure Act. Based upon our review, we find no legal problems. This memorandum constitutes the written statement of approval under AS 44.62.060(b) and (c) that authorizes your office to file the attached regulations. The regulations were adopted by the Department of Revenue after the close of the public comment period. The regulations concern repeals of obsolete regulations and conforming amendments.

The August 25, 2019, public notice and the August 3, 2020, adoption order both state that this action is not expected to require an increased appropriation. Therefore, a fiscal note under AS 44.62.195 is not required.

We have made some technical corrections to conform the regulations in accordance with AS 44.62.125. The corrections are shown on the attached copy of the regulations.

SRP:sjw

cc w/enc:

Hon. Lucinda Mahoney, Commissioner
Department of Revenue

Colleen Glover, Director
Tax Division
Department of Revenue

John Larsen, Regulations Contact
Department of Revenue

Mary Hunter Gramling, Senior Assistant Attorney General
Department of Law

State of Alaska
Department of Revenue
Public Notice
Regulations for Repeal
Title 15 - Revenue

BRIEF DESCRIPTION: The Alaska Department of Revenue (department) proposes to repeal existing regulations that mimic existing statutes, have been superseded, or are otherwise no longer in effect. In addition, the department proposes to make any necessary conforming changes resulting from the repeals.

The purpose of this notice is to ask the public and other interested parties for suggestions for regulations that have become obsolete or mimic existing statutes. It is the department's intent to protect the interests of the public without also requiring unnecessary administrative burden on either the state, interested parties, or the public for any of the taxes administered by the department.

Other minor changes or repeals proposed by the public or other interested parties may also be considered by the department.

Written comments, suggestions, questions, and other input must be received by the department no later than **4:00 p.m. on Tuesday, October 1, 2019.**

The Department of Revenue proposes to repeal the following regulations under 15 AAC 10, Enforcement; 15 AAC 55.20, Alaska Net Income Tax; 15 AAC 21, Application of Tax; and 15 AAC.55, Oil and Gas Production Tax and Oil Surcharge, of the Alaska Administrative Code including the following:

- (1) **15 AAC 10.010, Annual affidavit and tax liability security requirements, 15 AAC 10.020, Tax liability security requirements; 15 AAC 10.030, Annual required security; 15 AAC 10.035, Waiver procedures and "good cause"; 15 AAC 10.040, Tax liability bond requirements; 15 AAC 10.050, Collection recourse to the tax liability security held is not required; 15 AAC 10.060, Tax liability security requirement not met; 15 AAC 10.070, Return of cash deposit or reduction or cancellation of tax liability bond** are proposed to be repealed, as the enabling statute was repealed by sec. 2, ch. 93, SLA 1997;
- (2) **15 AAC 20.150, Requirement to file returns electronically,** is proposed to be repealed as this section has been superseded by AS 43.05.045;

- (3) **15 AAC 20.530, Gas exploration and development tax credit**, is proposed to be repealed as the authorizing statute sunset on January 1, 2016, per secs. 2, 5, ch. 61, SLA 2003, as amended by sec. 16, ch. 15, SLA 2010;
- (4) **15 AAC 20.900(c), Definitions**, is proposed to be amended to make conforming amendments to statutory and regulatory references;
- (5) **15 AAC 21.001, Findings of fact**, **15 AAC 21.003, Determinations based on findings of fact**; **15 AAC 21.005, Requirements of alternative allocation and apportionment method**; **15 AAC 21.010, Persons subject to this chapter**; **15 AAC 21.020, Taxpayers having income from other activities**; **15 AAC 21.030, Consolidated business**; **15 AAC 21.040, Attribution of income**; **15 AAC 21.050, Net taxable income**; **15 AAC 21.060, Surtax exemption**; **15 AAC 21.065, Tax rates**; **15 AAC 21.070, Treatment of net losses realized under this chapter**; **15 AAC 21.100, Taxable production income**; **15 AAC 21.110, Gross production revenue**; **15 AAC 21.120, Value at the point of production**; **15 AAC 21.122, Sales price**; **15 AAC 21.124, Prevailing value for oil**; **15 AAC 21.125, Prevailing value for gas**; **15 AAC 21.128, Choice of methods for determining reasonable cost of transportation**; **15 AAC 21.130, Calculation of reasonable costs of transportation**; **15 AAC 21.140, Extraordinary production revenue (or loss)**; **15 AAC 21.200, Deductions from gross production revenue – In general**; **15 AAC 21.210, Deduction for royalty**; **15 AAC 21.215, Deduction for Native corporation revenue sharing**; **15 AAC 21.220, Deduction for production taxes**; **15 AAC 21.230, Deduction for ad valorem taxes**; **15 AAC 21.235, Deduction for crude oil windfall profit tax**; **15 AAC 21.240, Deduction for direct operating costs**; **15 AAC 21.250, Deduction for acquisition costs**; **15 AAC 21.260, Deduction for development costs**; **15 AAC 21.270, Deduction for exploration costs**; **15 AAC 21.280, Deduction for uncapitalized interest**; **15 AAC 21.290, Deduction for general overhead and administrative expense**; **15 AAC 21.300, Taxable oil pipeline income**; **15 AAC 21.310, Operating revenues (oil pipelines)**; **15 AAC 21.320, Extraordinary operating revenues and losses (oil pipelines)**; **15 AAC 21.350, Operating expenses (oil pipelines)**; **15 AAC 21.400, Taxable gas pipeline income**; **15 AAC 21.410, Operating revenues (gas pipelines)**; **15 AAC 21.420, Extraordinary operating revenues and losses (gas pipelines)**; **15 AAC 21.450, Operating expenses (gas pipelines)**; **15 AAC 21.500, Taxable apportioned income**; **15 AAC 21.510, Apportionable income**; **15 AAC 21.520, Three-factor formula for apportionment**; **15 AAC 21.530, Property factor**; **15 AAC 21.540, Payroll factor**; **15 AAC 21.550, Sales factor**; **15 AAC 21.600, General rule**; **15 AAC 21.610, Notice of commencement of taxable activity**; **15 AAC 21.620, Partial years**; **15 AAC 21.630, Expenses and net operating losses under the old tax**; **15 AAC 21.640, Installments under the old tax**; **15 AAC 21.650, Net operating loss carryovers from AS 43.20**; **15 AAC 21.660, Net operating loss carrybacks from AS 43.20**; **15 AAC 21.700, Returns and assessments**; **15 AAC 21.710, Payments; installments**; **15 AAC 21.720, Refunds**; **15 AAC 21.730, Computation of interest**; **15 AAC 21.740, Civil Penalties**; **15 AAC 21.750, Relief**;

15 AAC 21.800, Application to the 1978 tax year; 15 AAC 21.810, Statute of limitations; 15 AAC 21.820, Fiscal-year taxpayers; and 15 AAC 21.900, Definitions are proposed to be repealed as the enabling statutes were repealed by sec. 19, ch. 116, SLA 1981;

- (6) **15 AAC 55.151(b)(2)(A), Gross value of oil or gas at the point of production**, is proposed to be repealed to make conforming adjustments related to the repeal of 15 AAC 55.180 and 15 AAC 55.191;
- (7) **15 AAC 55.173(i), Prevailing value for gas**, is proposed to be repealed; the regulation is no longer necessary as the time period it governed has passed and new regulations are in effect;
- (8) **15 AAC 55.180, Choice of methods for determining reasonable cost of transportation for oil and gas produced before July 1, 2007**, is proposed to be repealed; the regulation is no longer necessary as the time period it governed has passed and new regulations are in effect;
- (9) **15 AAC 55.191, Calculation of reasonable costs of transportation for oil or gas produced before July 1, 2007**, is proposed to be repealed; the regulation is no longer necessary as the time period it governed has passed and new regulations are in effect;
- (10) **15 AAC 55.205, Calculation of production tax values for oil and gas produced before July 1, 2007**, is proposed to be repealed; the regulation is no longer necessary as the time period it governed has passed and new regulations are in effect;
- (11) **15 AAC 55.223, Cook Inlet lease expenditures incurred before July 1, 2007**, is proposed to be repealed; the regulation is no longer necessary as the time period it governed has passed and new regulations are in effect;
- (12) **15 AAC 55.270, Overhead before March 1, 2010**, is proposed to be repealed; the regulation is no longer necessary as the time period it governed has passed and new regulations are in effect;
- (13) **15 AAC 55.340, Cook Inlet credit provisions before July 1, 2007**, is proposed to be repealed; the regulation is no longer necessary as the time period it governed has passed and new regulations are in effect;
- (14) **15 AAC 55.345(d)(2), Procedures for applying certain tax credits**, is proposed to be amended to make conforming changes related to the repeal of 15 AAC 55.380;

- (15) **15 AAC 55.350, Alternative tax credit for exploration expenditures for work performed after June 30, 2003, and before July 1, 2008**, is proposed to be repealed; the regulation is no longer necessary as the time period it governed has passed and new regulations are in effect;
- (16) **15 AAC 55.355, Alternative oil and gas exploration tax credit claim for expenditures for work performed after June 30, 2003, and before July 1, 2008**, is proposed to be repealed; the regulation is no longer necessary as the time period it governed has passed and new regulations are in effect;
- (17) **15 AAC 55.370(a)(3), Applying production tax credit certificates against production tax liability**, is proposed to be amended to make conforming changes related to the repeal of 15 AAC 55.380;
- (18) **15 AAC 55.380, Subtraction of tax credits in calculation of installment payment of estimated tax for oil and gas produced before July 1, 2007**, is proposed to be repealed; the regulation is no longer necessary as the time period it governed has passed and new regulations are in effect;
- (19) **15 AAC 55.410(b), Tax on production tax value of oil and gas**, is proposed to be repealed; the regulation is no longer necessary as subsection (b) deals with oil and gas produced before July 1, 2007;
- (20) **15 AAC 55.420, Minimum tax for oil and gas produced before July 1, 2007**, is proposed to be repealed; the regulation is no longer necessary as the time period it governed has passed and new regulations are in effect;
- (21) **15 AAC 55.430, Tax based on price index for oil and gas produced before July 1, 2007**, is proposed to be repealed; the regulation is no longer necessary as the time period it governed has passed and new regulations are in effect;
- (22) **15 AAC 55.510, Installment payments of estimated tax for oil and gas produced before July 1, 2007**, is proposed to be repealed; the regulation is no longer necessary as the time period it governed has passed and new regulations are in effect;
- (23) **15 AAC 55.800(a)(2), (a)(4), (a)(6), (a)(10), (a)(11), (a)(12), (a)(14), (a)(15), (a)(17), (c)(13), (c)(14), (e)(4), and (g), Retroactive application of regulations**, are proposed to be repealed, as the affected regulations are proposed for repeal in this public notice;

- (24) **15 AAC 55.805, Rules for 2007 mid-year statutory changes**, is proposed to be repealed; the regulation is no longer necessary as the time period it governed has passed and new regulations are in effect;

You may comment on the proposed regulation changes, including the costs to private persons of complying with the proposed changes, by submitting written comments to: John Larsen, Audit Master, Alaska Department of Revenue, 550 W. 7th Ave., Ste. 500, Anchorage, AK 99501. Additionally, the Department of Revenue will accept comments by electronic mail to john.larsen@alaska.gov, or by facsimile at (907) 269-6644. **Written comments must be received no later than 4:00 p.m., on Tuesday, October 1, 2019.**

You may submit written questions relevant to the proposed action to: John Larsen at john.larsen@alaska.gov via email, or to: John Larsen, Audit Master, Alaska Department of Revenue, 550 W. 7th Ave., Ste. 500, Anchorage, AK 99501. The questions must be received at least 10 days before the end of the public comment period. The Department of Revenue will aggregate its response to substantially similar questions and make the questions and responses available on the Alaska Online Public Notice System and Tax Division website at (<http://www.tax.alaska.gov>).

If you are a person with a disability who needs a special accommodation in order to participate in this process, please contact John Larsen at john.larsen@alaska.gov or (907) 269-8436 no later than Thursday, September 26, 2019 to ensure that any necessary accommodations can be provided.

A copy of the regulations proposed for repeal are available on the Alaska Online Public Notice System and the Tax Division website, and by contacting John Larsen at (907) 269-8436 or john.larsen@alaska.gov.

After the public comment period ends on Tuesday, October 1, 2019, the Department of Revenue will either repeal the regulations proposed in this notice or other provisions dealing with the same subject, without further notice, or decide to take no action. **You should comment during the time allowed if your interests could be affected.** Written comments received are public records and are subject to public inspection.

Statutory Authority: AS 43.05.080; AS 43.10.160; AS 43.20.160; AS 43.55.110.

Statutes Being Implemented, Interpreted, or Made Specific: AS 43.10.080; AS 43.20.030; AS 43.20.043; sec. 19, ch. 116, SLA 1981; sec. 2, ch. 93, SLA 1997.

Fiscal Information: The proposed regulation changes are not expected to require an increased appropriation.

The department keeps a list of individuals and organizations interested in its regulations. Those on the list will automatically be sent a copy of all of the department's notices of proposed regulation changes. If you would like to be added or removed from the department's "Interested

Parties" list server to receive email notification of any proposed action you may do so at the following link: <http://tax.alaska.gov/programs/documentviewer/viewer.aspx?77n>

The department reserves the right to waive technical defects in this publication. The State of Alaska, Department of Revenue, complies with Title II of the Americans with Disabilities Act of 1990. Individuals with disabilities who may need auxiliary aides, services, or special modifications to participate in this scoping request must contact the above address, email, or the TDD number (907) 269-8411 by 4:00 pm, Thursday, September 26, 2019.

DATE: August 23, 2019
Anchorage, Alaska



Colleen Glover
Director, Tax Division
(907) 269-6620

ADDITIONAL REGULATION NOTICE INFORMATION
(AS 44.62.190(d))

1. Adopting agency: Department of Revenue
2. General subject of regulation: Repeals and conforming amendments
3. Citation of regulation (may be grouped): 15 AAC 10 sections to be repealed or amended: 010, 020, 030, 035, 040, 050, 060, and 070; 15 AAC 20 sections to be repealed or amended: 150, 530, and 900(c); 15 AAC 21 sections to be repealed or amended: 001, 003, 005, 010, 020, 030, 040, 050, 060, 065, 070, 100, 110, 120, 122, 124, 125, 128, 130, 140, 200, 210, 215, 220, 230, 235, 240, 250, 260, 270, 280, 290, 300, 310, 320, 350, 400, 410, 420, 450, 500, 510, 520, 530, 540, 550, 600, 610, 620, 630, 640, 650, 660, 700, 710, 720, 730, 740, 750, 800, 810, 820, and 900; 15 AAC 55 sections to be repealed or amended: 151(b)(2)(A), 173(i), 180, 191, 205, 223, 270, 340, 345(d)(2), 350, 355, 370(a)(3), 380, 410(b), 420, 430, 510, 800(a)(2), (4), (6), (10), (11), (12), (14), (15) & (17), 800(c)(13) and (14), 800(e)(4), 800(g), and 805.
4. Department of Law file number, if any: 2019200367
5. Reason for the proposed action:

☐ Compliance with federal law or action (identify): _____
☒ Compliance with new or changed state statute
☐ Compliance with federal or state court decision (identify): _____
☐ Development of program standards
☒ Other (identify): Repeal existing regulations that are no longer of any force or effect..
6. Appropriation/Allocation: Tax Division, Revenue Operations
7. Estimated annual cost to comply with the proposed action to:

A private person: \$0. The department does not expect additional costs to a private person.
Another state agency: \$0. The department does not expect additional costs to any other state agency.
A municipality: \$0. The department does not expect additional costs to a municipality.

8. Cost of implementation to the state agency and available funding (in thousands of dollars):

	Initial Year FY <u>2020</u>	Subsequent Years
Operating Cost	\$ <u>0</u>	\$ <u>0</u>
Capital Cost	\$ <u>0</u>	\$ <u>0</u>
1002 Federal receipts	\$ <u>0</u>	\$ <u>0</u>
1003 General fund match	\$ <u>0</u>	\$ <u>0</u>
1004 General fund	\$ <u>0</u>	\$ <u>0</u>
1005 General fund/ program	\$ <u>0</u>	\$ <u>0</u>
Other (identify)	\$ <u>0</u>	\$ <u>0</u>

9. The name of the contact person for the regulation:

Name: John Larsen
Title: Audit Master
Address: 550 W. 7th Ave., Ste. 500, Anchorage, AK 99501
Telephone: (907) 269-8436
E-mail address: john.larsen@alaska.gov

10. The origin of the proposed action:

☐ Staff of state agency
☐ Federal government
☐ General public
☐ Petition for regulation change⁷
☒ Other (identify): Request of the Governor

11. Date: 8/23/19 Prepared by: John M. Larsen

Name (printed): John M. Larsen
Title (printed): Audit Master
Telephone: (907) 269-8436



ANCHORAGE DAILY NEWS

AFFIDAVIT OF PUBLICATION

Account #: 270235 Order #: 0001441961 Cost: \$1,678.28

STATE OF ALASKA
THIRD JUDICIAL DISTRICT

Leilisi Misa
being first duly sworn on oath
deposes and says that she is
a representative of the
Anchorage Daily News, a
daily newspaper. That said
newspaper has been approved
by the Third Judicial Court,
Anchorage, Alaska, and it now
and has been published in the
English language continually as a
daily newspaper in Anchorage,
Alaska, and it is now and during
all said time was printed in an
office maintained at the aforesaid
place of publication of said
newspaper. That the annexed is
a copy of an advertisement as it
was published in regular issues
(and not in supplemental form)
of said newspaper

August 25, 2019

and that such newspaper was
regularly distributed to its
subscribers during all of said
period. That the full amount of
the fee charged for the foregoing
publication is not in excess of
the rate charged private individuals.

Signed *LMS*

Subscribed and sworn to before
me this 17 day of Oct.
20 19

Jada L. Nowling
Notary Public in and for
The State of Alaska.
Third Division
Anchorage, Alaska
MY COMMISSION EXPIRES

7/14/2020

STATE OF ALASKA
NOTARY
PUBLIC
Jada L. Nowling

AFFIDAVIT OF NOTICE OF PROPOSED REGULATION
AND FURNISHING OF ADDITIONAL INFORMATION

I, John M. Larsen, Audit Master, of the Alaska Department of Revenue, under penalty of perjury, certify the following:

As required by AS 44.62.190, notice of the proposed adoption of changes to the Alaska Administrative Code to repeal existing regulations in Title 15, Revenue, Chapter 10, Enforcement, sections .010, .020, .030, .035, .040, .050, .060, .070; Chapter 20, Alaska Net Income tax sections .150 and .530; Chapter 21, Oil and Gas Corporate Income Tax, sections 001, 003, 005, 010, 020, 030, 040, 050, 060, 065, 070, 100, 110, 120, 122, 124, 125, 128, 130, 140, 200, 210, 215, 220, 230, 235, 240, 250, 260, 270, 280, 290, 300, 310, 320, 350, 400, 410, 420, 450, 500, 510, 520, 530, 540, 550, 600, 610, 620, 630, 640, 650, 660, 700, 710, 720, 730, 740, 750, 800, 810, 820, and 900; Chapter 55, Oil and Gas Production Tax and Oil Surcharge, sections 151(b)(2)(A), 173(i), 180, 191, 205, 223, 250(a) and (e), 270, 340, 350, 355, 380, 410(b), 420, 430, 510, 800(a)(2), (4), (6), (14), (15), (17), (c)(13) and (14), (e)(4), (g), and 805 has been given in accordance with steps (1) – (7), below. In addition, notice of the proposed adoption of changes to 15 AAC 20.900(c), dealing with definitions; 15 AAC 55.192(a)(2), dealing with transportation costs; 15 AAC 55.193(b)(3)(A), dealing with costs of transportation; 15 AAC 55.196(a), dealing with the cost of capital for marine tankers and LNG facilities; 15 AAC 215(a)(2)(B), dealing with the applicability of lease expenditures; 15 AAC 55.217(h)(1), dealing with carried-forward annual losses after December 31, 2017; 15 AAC 55.250(c) and 15 AAC 55.260(a), dealing with lease expenditures; 15 AAC 55.275(a), dealing with exclusions from lease expenditures; 15 AAC 55.280(a), dealing with adjustment to lease expenditures; 15 AAC 55.345(b)(6)(A) and (B), 15 AAC 55.345(c), and 15 AAC 55.345(d)(2), dealing with procedures for applying certain tax credits; 15 AAC 55.370(a), (a)(3), and (b), dealing with the application of production tax credit certificates; 15 AAC 55.800(a)(10), (11), and (12), dealing with retroactivity; and 15 AAC 55.900(a)(7)(A) dealing with definitions, has been given by being

- (1) published in a newspaper or trade publication;
- (2) furnished to every person who has filed a request for notice of proposed action with the state agency;
- (3) furnished to appropriate state officials;
- (4) furnished to interested persons;
- (5) furnished to the Department of Law, along with a copy of the proposed regulation;
- (6) furnished electronically to incumbent State of Alaska legislators;
- (7) posted on the Alaska Online Public Notice System as required by AS 44.62.175(a)(1) and (b) and 44.62.190(a)(1).

As required by AS 44.62.190, additional regulation notice information regarding the proposed adoption of the regulation changes described above has been furnished to interested persons and those in (2), (4) and (6) of the list above. The additional regulation notice information also has been posted on the Alaska Online Public Notice System.

AFFIDAVIT OF AGENCY RECORD OF PUBLIC COMMENT

I, John M. Larsen, Audit Master, for the Alaska Department of Revenue, under penalty of perjury, state the following:

In compliance with AS 44.62.215, the Department of Revenue has kept a record of its use or rejection of factual or other substantive information that was submitted in writing as public comment and that was relevant to the accuracy, coverage, or other aspect of the Department of Revenue's regulations on proposed changes to Title 15, Chapter 10, Enforcement; Chapter 20, Alaska Net Income Tax; Chapter 21, Oil and Gas Corporate Income Tax; and Chapter 55, Oil and Gas Production Tax and Oil Surcharge.

There is no notary public or other official empowered to administer oaths available to notarize this document as a result of social distancing requirements implemented statewide.

I certify under penalty of perjury that the foregoing is true.

Date: July 31, 2020



John M. Larsen
Audit Master

State of Alaska
Anchorage