

Title: Production Tax Credits Detail FY 2007 to FY 2019

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Purpose: Provide detailed data on refunded production tax credits and production tax credits against liability historically from FY 07 to FY 13, and forecasted from FY 15 to FY 19; broken out by North Slope and Non-North Slope.

Date: 4/15/2015

Data Source: Spring 2015 Revenue Sources Book and supporting data/models.

Key Assumptions: All assumptions are as of the Spring 2015 Revenue Sources Book. Also see notes and comments embedded in the spreadsheet.

History: Third version incorporates the Spring 2015 forecast numbers and, based on updated analysis, includes slight revisions to the geographic location of refunded credits in FY 2009 through FY 2012.

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.

Detail on Historical Production Tax Credits and Forecast

Updated 4/14/2015 by Economic Research Group

(\$millions)	Historical							Preliminary ¹	Forecast ²				
	FY 07	FY 08	FY 09	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18	FY 19
Refunded Credits													
North Slope													
Qualified capital expenditure, AS 43.55.023(a); Carry-forward annual loss, AS 43.55.023(b)	55	*	*	224	404	267	*	254	340	401	209	116	74
Credits under AS 43.55.025 ³	0	*	*	23	12	53	*	27	0	0	0	0	0
Total North Slope	55	54	190	247	416	320	261	281	340	401	209	116	74
Non-North Slope													
Qualified capital expenditure, AS 43.55.023(a); Carry-forward annual loss, AS 43.55.023(b); Well lease expenditure, AS 43.55.023(l)	0	0	*	*	*	29	104	*	255	217	186	159	140
Credits under AS 43.55.025 ³	0	0	*	*	*	4	4	*	26	26	10	8	6
Credits under AS 43.20 ⁴	0	0	*	0	0	0	0	15	0	45	30	30	30
Total Non-North Slope	0	0	3	4	34	33	108	312	281	288	225	197	176
Total Refunded Credits	55	54	193	250	450	353	369	593	625	700	450	325	275
Credits Used Against Tax Liability^{5,6}													
North Slope													
Qualified capital expenditure, AS 43.55.023(a); Carry-forward annual loss, AS 43.55.023(b)	292	219	279	339	313	306	486	332	0	0	0	0	0
Transitional investment expenditure: AS 43.55.023(i) ⁷	171	73	0	0	0	*	*						
Per taxable barrel credit, AS 43.55.024(i)-(j) ⁸								492	500	513	1258	1211	999
Small producer credit, AS 43.55.024(a)(c)	*	*	21	*	*	*	*	44	50	60	59	48	47
Credits under AS 43.55.025 ³	*	*	28	*	*	*	*	3	0	0	0	0	0
Total North Slope	541	368	328	402	345	347	536	870	549	573	1316	1259	1046
Non-North Slope													
Qualified capital expenditure, AS 43.55.023(a); Carry-forward annual loss, AS 43.55.023(b); Well lease expenditure, AS 43.55.023(l)	*	*	0	*	11	*	*	7	9	10	10	10	10
Small producer credit, AS 43.55.024(a)(c)	*	*	6	*	6	*	*	10	8	5	5	5	5
Total Non-North Slope	16	10	6	10	17	16	14	17	17	15	15	15	15
Total Credits Used Against Tax Liability	557⁹	378	333	412	361	363	549	888	570	590	1330	1270	1060
Total Credits North Slope	596	422	*	649	761	667	797	1158	889	974	1525	1375	1120
Total Credits Non-North Slope	16	10	*	14	51	49	122	322	298	303	240	212	191
Total Statewide Production Tax Credits	\$612	\$432	\$526	\$662	\$811¹⁰	\$716	\$918	\$1,481	\$1,195	\$1,290	\$1,780	\$1,595	\$1,335

Source: Spring 2015 Revenue Sources Book backup.

* An asterisk indicates that the data is confidential.

¹These numbers are preliminary pending Annual Returns.

²Forecasted refunded credits are rounded to nearest \$25 million for presentation in RSB to reflect uncertainty around these estimates. Forecasted credits against liability are rounded to the nearest \$10 million.

³Credits under AS 43.55.025 include the Alternative Credit for Exploration, the Frontier Basin Credit, and for Cook Inlet only the Cook Inlet Jack-up Rig Credit

⁴Credits under AS 43.20 include the Gas Exploration and Development Credit, Gas Storage Facility Credit, the In-State Gas Refinery Credit, and the LNG Storage Facility Credit.

⁵The Education Credit, AS 43.55.019, though not reported in its own credit category in the summary, was less than \$1 million in each year reported and is calculated in the total.

⁶ For historical credits against tax liability, geographic location was determined by attributing all .023(l) credits to Non-North Slope, all .025 credits to North Slope, and the other credits were placed according to where the taxpayer mainly operated. Since multiple taxpayers had operations in both North Slope and other areas, these numbers should be treated as rough estimates.

⁷ AS 43.55.023(i), The Transitional Investment Expenditure credit, sunset on December 31, 2013.

⁸For FY 14 the Per Taxable Barrel Credit is for only the last six months of the fiscal year. For FY 15 and FY 16, the credit is reduced because of the 4% minimum gross tax.

⁹Because ACES was retroactive to April 2006, three months of 2006 credits data is included in the FY 2007 credits used against tax liability number.

¹⁰Credits against liability for FY 2011 was estimated, and this total does not match the Fall 2014 Revenue Sources Book number.

