

CS FOR HOUSE BILL NO. 387(RES)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-THIRD LEGISLATURE - SECOND SESSION

BY THE HOUSE RESOURCES COMMITTEE

Offered: 3/25/24

Referred: Finance

Sponsor(s): HOUSE RESOURCES COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to a tax credit for certain oil and gas equipment in the Cook Inlet**
2 **sedimentary basin; repealing certain credits against the oil and gas production tax; and**
3 **providing for an effective date."**

4 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

5 * **Section 1.** AS 43.98 is amended by adding a new section to read:

6 **Article 5. Oil and Gas Tax Credit Certificates.**

7 **Sec. 43.98.080. Tax credit for jack-up rigs.** (a) The department shall provide
8 a tax credit certificate to a person who, after the effective date of this Act and before
9 July 1, 2030, installs a jack-up rig in the Cook Inlet sedimentary basin. To receive a
10 credit under this section the jack-up rig must be used, or contracted to be used, in the
11 Cook Inlet sedimentary basin for at least three years. The tax credit is equal to the
12 lesser of

13 (1) the total cost of purchasing or leasing the jack-up rig and
14 transporting the jack-up rig to the Cook Inlet sedimentary basin; or

1 (2) \$75,000,000.

2 (b) A person who receives a tax credit certificate under (a) of this section may
3 use the credit, or a portion of the credit, to offset taxes imposed under this title. Any
4 unused portion of the credit may be carried forward to a subsequent tax year.

5 (c) A tax credit certificate issued under (a) of this section may not

6 (1) be sold, assigned, exchanged, conveyed, or otherwise transferred,
7 in whole or in part;

8 (2) be applied to reduce a person's tax liability under this title to below
9 zero; or

10 (3) be the basis for a credit under another provision of this title.

11 (d) In this section, "jack-up rig" means a mobile drilling platform with
12 extendible legs for support on the ocean floor.

13 * **Sec. 2.** AS 43.55.025(a)(5) and 43.55.025(l) are repealed.

14 * **Sec. 3.** This Act takes effect immediately under AS 01.10.070(c).