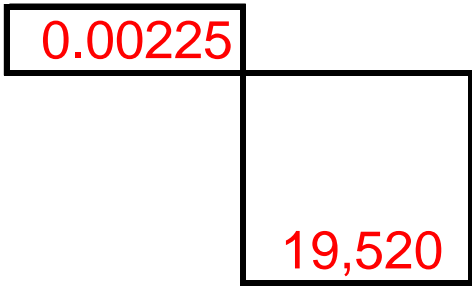


Progressivity in CS HB 2001 (O&G)

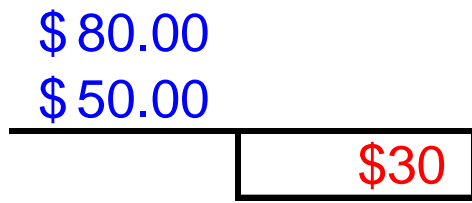
Dan E. Dickinson
October 30, 2007
House Resources

25-GH0014/L Page 13 lines 15 -21

The tax is equal to
[.225 percent]
of the [monthly gross value at
the point of production of
the taxable oil and gas]
multiplied by [the number that represents the difference



[(1) the quotient of the
total monthly gross
value at the point of
production of the
taxable oil and gas
produced by the
producer in BTU
equivalent barrels]
[and (2) \$50]]



The tax is equal to
 [the number that represents the difference between

[(1) the quotient of the
 total monthly gross
 value at the point of
 production of the
 taxable oil and gas
 produced by the
 producer in BTU
 equivalent barrels]
 [and (2) \$50]]

\$ 80.00

\$ 50.00

\$30

0.00225

6.75%

multiplied by [.225 percent]

multiplied by [monthly gross value at
 the point of production of
 the taxable oil and gas]

19,520

1,317.60

Progressivity Taxes

	PPT	ACES	HO&G
<u>BASE</u>			
Taxable bbls	244	244	244
ANS Market	87.00	87.00	87.00
Trans	7.00	7.00	7.00
GVPP	80.00	80.00	80.00
Lifting	20.00	20.00	-
PTV	60.00	60.00	80.00
bbls time \$/bbl	14,640	14,640	19,520
		GVPP:	
Base	14,640	14,640	19,520
<u>RATE (factor/dollar * dollars over starting point)</u>			
Starting place	40.00	30.00	50.00
Price index	20.00	30.00	30.00
Factor/dollar	0.2500%	0.2000%	0.2250%
Prog Factor	5.00%	6.00%	6.75%
<u>Tax = Rate * Base</u>			
Tax	732.00	878.40	1,317.60

AS 43.55.011(g) & (h)

(g) the tax levied under this subsection is equal to ...

[.25 percent]

of the

[monthly production tax value of the taxable oil and gas ...]

multiplied by the

[the price index determined under (h) of this section.]

[For purposes of (g) of this section, the price index for a

(h) month is calculated by subtracting

[40]

from

[the number that is equal to the quotient of the total monthly production tax value of the taxable oil and gas produced by the producer during that month...divided by the total amount of the taxable oil and gas produced by the produce during that month, in BTU equivalent barrels]]

Progressivity Studies 10/28/07 (\$7 downstream costs, \$20 upstream)

