

Testimony: Garvan Bucaria  
HB 111

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March 1, 2017

3. A balanced budget reduced to a level where expenditures match income. Currently not sustainable without drastic cuts to state government!

Related issues that should be addressed include maintaining incentives to small oil companies to sustain exploration and assist in bringing new fields into production.

Leveling taxes on Major oil companies who through integration reap enormous benefits (profits) that escape fair taxation. <sup>continued</sup> i.e. pipeline tariffs, restoration assessments that have been fully funded.

End one(1) year amortization of oil wells - should be spread over life of production.

Thank you,

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House Bill 111 - oil and gas production tax,  
tax payments, and credits Act.

I find it ironic that the first section AS 43.05.225  
you Legislators address is delinquency of  
interest. How about Alaska Government  
paying its full incentive amounts to oil  
companies! Changing tax laws yearly offers  
no incentive for much needed new exploration.  
Sec 2. AS 43.55.011 Graduated tax rates per barrel  
of oil based upon west coast average price  
per barrel seems fair, yet difficult to  
comprehend unless fully referenced to the  
original bill - Shame on you for not providing  
the complete document on which an amended  
version is contingent - Sec. 3, AS, 55.011 (c) & (e)  
referenced. Confusing - yes Essential  
for comprehending effects - yes. You folks  
need to provide we citizens a summary  
of what is your intent on this bill!

Obviously a complicated taxing Act, so  
a simplified response is justified:

Alaska Economy must be supported  
by three basic elements.

1. An environment conducive to a  
profitable productive oil industry also  
benefits the state.
2. A Permanent Fund invested independently  
of a politically motivated Legislature and  
Governor - to protect the Corpus of the PF  
and provide Alaska residents & Government  
economic benefits.