

# Revenue Streams in Alaska

| Commodity<br>Revenue Category | State and County Assessed Taxes<br><i>On Federal, State, and Private Land</i>  |  |  | Rents, Bonuses, and Royalties<br><i>On State Land</i>  |  |   | Federal Revenue Streams  |  |
|-------------------------------|--|--|--|--|--|---|--|--|
|                               | <i>Severance and License Taxes</i>   | <i>Ad Valorem Taxes</i>  | <i>Surcharges</i>  | <i>Securing a Lease or Claim</i>   | <i>Pre or Postponed Production</i>   | <i>During or Post Production</i>  | <i>Abandoned Mine Land (AML) Fees</i>  | <i>U.S. Mineral Royalties</i>  |
| <b>Oil and Gas</b>            | <p><b>Oil and Gas Production Tax:</b> 35% of the net value of oil and gas, which is the value at the point of production multiplied by the taxable volume, less allowable expenditures. SB21, effective January 2014, is the most recent update to the code. Oil and gas production taxes account for 43.94% of all tax revenue for Alaska.</p> <p><b>Corporate Income Tax:</b> Alaska levies corporate income tax on Alaska taxable income with graduated rates ranging from 0.0% to 9.4%. Oil and gas related revenues from corporate income taxes account for 9% of all tax revenue for Alaska.</p> <p>For more detail, see the section on oil and gas property or corporate income taxes in the Department of Revenue's <a href="#">annual report</a>.</p> | <p><b>Oil and Gas Property Tax:</b> 20 mills or 2% of the assessed value is levied on taxable exploration, production and pipeline transportation property, with specific valuations for each category. Oil and gas production taxes account for 10.5% of all tax revenue for Alaska. For more detail, see the section on oil and gas property taxes in the Department of Revenue's <a href="#">annual report</a>.</p> | <p><b>Oil Conservation Surcharge:</b> \$0.01 per barrel is levied on all oil production, less exemptions.</p> <p><b>Additional Conservation Surcharge:</b> \$0.04 per barrel may be appropriated to the oil and hazardous substance release prevention account. Additional charge only applies when fund falls below \$50 million.</p> | <p><b>Cash Bonus:</b> Upon pre-sale analysis, the commissioner attaches a cash bonus bid or fixed cash bonus to the royalty charged.</p>   | <p><b>Annual Rent:</b> Annual rent of \$3 per acre is initially paid to the state at inception of the lease and payable annually after that until the income to the state from royalty under that lease exceeds the rental income to the state under that lease for that year.</p> | <p><b>Mineral Ownership Royalties:</b> Most leases range from 12.5% to 16.67% with a legal minimum of 12.5% for all sub-surface minerals.</p> |  |  |
| <b>Coal</b>                   | <p><b>Mining License Tax:</b> Rates vary depending on mining net income and range from 0% tax for net income &lt;\$40,000 to a base fee of \$4,000 plus 7% for net income &gt;\$100,000. Mining license taxes account for 3.24% of all tax revenue for Alaska. For more detail, see the section on the mining license tax in the Department of Revenue's <a href="#">annual report</a>.</p>  |  |  | <p><b>Prospecting Permits:</b> Parties may retain a prospecting permit for 3 years, with extensions available, and the right to lease after submitting a satisfactory mining plan. Leases may not exceed 20 years.</p> | <p><b>Annual Rents:</b> Annual rents are fixed in the lease with a minimum of \$0.25 per acre scaling up to \$1.00 per acre in the sixth year.</p>   | <p><b>Royalties:</b> The lease specifies the exact amount and shall not be less than \$0.05 per 2,000 pounds.</p>                             | <p><b>AML Fees:</b> OSMRE collects 50% of fees in state (per-ton fees of \$0.28 for surface-mined coal; \$0.12 for deep-mined coal; \$0.08 for lignite).</p> | <p><b>Federal Royalties:</b> ONRR collects 49% of royalty revenue from extraction on federal lands in Alaska. For more information on federal rate structure and revenues streams, <a href="#">click here</a>.</p> |
| <b>Non-Energy Minerals</b>    | <p><b>Mining License Tax:</b> The same Mining License Tax applies for coal and hard rock minerals. See Mining License Tax in coal.</p>   |  |  | <p><b>Bonuses:</b> For non-energy minerals, bonuses vary by lease.</p>   | <p><b>Prospecting Site Rent:</b> One time rental payment of \$255 is paid for two years.</p> <p><b>Rents:</b> Rents range from \$0.88 to \$4.25 per acre depending on the length of the lease. For more detail, see the <a href="#">Annual Rent Factsheet</a>.</p>                 | <p><b>Mineral Ownership Royalties:</b> Most leases range from 12.5% to 16.67% with a legal minimum of 12.5% for all sub-surface minerals.</p> |  |  |
| <b>Renewables</b>             | <p><b>Electrical Cooperative Tax:</b> The tax is \$0.00025 per kWh for cooperatives that furnished electric energy to consumers for less than five years. \$0.0005 per kWh for cooperatives that furnished electric energy for five years or longer.</p>   |  |  | <p><b>Geothermal Leasing:</b> For geothermal leases, competitive bidding may be on the basis of a cash bonus, profit share or royalty bid.</p>   |  |   |  |  |
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