Tim Bradner: Alaska Struggles to pin down a “sweet spot” on oil Tax

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Will we ever settle on what’s a fair share for Alaskans from the extraction of our mineral resources? What does “fair share” mean? And how do we calculate it?

This is the second of my columns in which I attempt to explain the mysteries of our oil tax system.

In August, voters will consider a repeal of last year’s Senate Bill 21, which changed our taxes. Critics called it a “tax giveaway,” but supporters credit it with renewing industry activity on the North Slope.

What will sharpen this debate is that it now appears there may be no giveaway. The state Department of Revenue’s latest estimate for fiscal year 2015, the state budget year starting next July, is that SB 21 is essentially a wash between what the former tax, called ACES, would have brought in and what the new tax law will earn. If oil prices slide a bit more, as the U.S. Energy Information Administration now expects, SB 21 would actually bring in more money than ACES would have.

For the current state budget year, FY 2014, there is a revenue loss of between $250 million and $300 million because of the changeover between ACES and the new law, which occurred Jan. 1.

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