Oil Tax Facts

1. No matter how low a profits tax a company pays, they get to deduct 35% of their costs from their taxable income. Most taxpayers have a deduction rate equal to their tax rate; and most businesses have to amortize their capital costs over many years.

Lower Tax Post 2002 "GVR" Fields

2. That lower tax was pitched as a way to spur "new fields". But it applies in effect to any field after 2002. Field enjoying this break are Pt. Thompson (even though that field was required to move forward when ACES was the law); CD 5% in NPR-A (decision to move forward was made prior to SB 21); Ooogaruk and Nikaitchuq (producing pre-SB 21); and all or almost all new future fields we know of were being invested in prior to SB 21.

3. Effective Tax Rates (Percentage of Profits Companies Pay) at Various Prices Post 2002 GVR Fields

Profits Tax Rate	Price (bbl = oil barrel)
0%	Up to $70/bbl
5.9%	$80-90/bbl
10.9%	$90-100/bbl
14.1%	$100-110/bbl
16.3%	$110-120/bbl
17.8%	$120-130/bbl
19.0%	$130-140/bbl
20%	$140-150/bbl
20.8%	$150/bblc and above

4. Older Fields Pre-2002 Non GVR Fields (e.g. Prudhoe, Kuparuk, Alpine)

Profits Tax Rate	Price (bbl = oil barrel)
4% Gross Minimum Tax	Up to $76/bbl
11.5%	$80-90/bbl
19.1%	$90-100/bbl
23.9%	$100-110/bbl
27.2%	$110-120/bbl
29.6%	$120-130/bblc
31.4%	$130-140/bbl
23.9%	$140-150/bblc
34%	$150 bbl
35% Max Rate	$155/bbl +

5. GVR Fields Pay No Minimum Tax

Tax can go to 0%. GVR Fields get 35% operating + capital cost deduction at all prices + tax rates.

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Sources: Department of Revenue (Oil Tax Rates); News articles on fields moving forward before SB21.