

SUPPLEMENTAL NOTICE OF  
PROPOSED CHANGES IN THE REGULATIONS  
OF THE DEPARTMENT OF REVENUE

**BRIEF DESCRIPTION:** The Department of Revenue proposes regulations to implement conforming changes to statutes and legislation enacted in §66 ch. 14 SLA 2014 (SB 138) affecting the oil and gas properties tax. The proposed regulations relate to appeal procedures, percentage limitations to be applied to assessed value by the department, and conforming and clarifying changes related to recent legislation affecting the oil and gas properties tax.

The Department of Revenue proposes to adopt regulation changes in Title 15, Chapters 05 and 56 of the Alaska Administrative Code, dealing with the administration of revenue laws and the oil and gas properties tax, including the following:

- (1) **15 AAC 05.010. Notice of assessment**, is proposed to be amended to conform to the repeal of certain sections of the regulations that are no longer necessary to administer the property tax program.
- (2) **15 AAC 56.015. Appeal procedures**, is proposed to be repealed to conform to recent court decisions regarding appeal procedures.
- (3) **15 AAC 56.020. Appeal to the department**, is proposed to be amended to clarify that an appeal must be timely filed to be considered by the department.
- (4) **15 AAC 56.030. Appeal to the state assessment review board**, is proposed to be amended to clarify that an appeal must be timely filed to be considered by the department and the State Assessment Review Board.
- (5) **15 AAC 56.050. Credit and refund**, is proposed to be amended to conform to a referenced change in statute.
- (6) **15 AAC 56.070. Average per capita assessed full and true value of property in the state**, is proposed to be amended to account for the change in the limitation of assessed value from the former 225 percent under AS 29.45.080(c) to the stair-stepped rates in AS 29.45.080(f).
- (7) **15 AAC 56.100. Production property**, is proposed to be amended to delete a provision relating to the establishment of proven reserves.

**This is a SUPPLEMENTAL NOTICE adding to the NOTICE OF PROPOSED CHANGES that was issued on September 17, 2016, concerning these proposed regulations revisions contained in the Department of Law file number JU2015200857. This SUPPLEMENTAL NOTICE is being issued to include the estimated annual cost to comply with the proposed action included as item #7 in the attached “SUPPLEMENTAL ADDITIONAL REGULATIONS NOTICE INFORMATION.”**

You may comment on the proposed regulation changes, including the potential costs to private persons of complying with the proposed changes, by submitting written comments to: John Larsen, Audit Master, Alaska Department of Revenue, 550 W. 7th Ave., Ste. 500, Anchorage, AK 99501. Additionally, the Department of Revenue will accept comments by electronic mail to [john.larsen@alaska.gov](mailto:john.larsen@alaska.gov), or by facsimile at (907) 269-6644. **Written comments must be received no later than 4:30 p.m., on Thursday, October 20, 2016.**

You may submit written questions relevant to the proposed action to: John Larsen at [john.larsen@alaska.gov](mailto:john.larsen@alaska.gov) via email, or to: John Larsen, Audit Master, Alaska Department of Revenue, 550 W. 7th Ave., Ste. 500, Anchorage, AK 99501. The questions must be received at least 10 days before the end of the public comment period. The Department of Revenue will aggregate its response to substantially similar questions and make the questions and responses available on the Alaska Online Public Notice System and Tax Division website (<http://www.tax.alaska.gov>).

If you are a person with a disability who needs a special accommodation in order to participate in this process, please contact John Larsen at (907) 269-8436 no later than October 17, 2016 to ensure that any necessary accommodations can be provided.

A copy of the proposed regulation changes is available on the Alaska Online Public Notice System and the Tax Division website at <http://www.tax.alaska.gov>, and by contacting John Larsen at (907) 269-8436 or [john.larsen@alaska.gov](mailto:john.larsen@alaska.gov).

**After the public comment period ends on Thursday, October 20, 2016**, the Department of Revenue will either adopt these or other provisions dealing with the same subject, without further notice, or decide to take no action on them. The language of the final regulations may be different from that of the proposed regulations. You should comment during the time allowed if your interests could be affected. Written comments received are public records and are subject to public inspection.

**Statutory Authority:** AS 43.05.080; AS 43.56.200.

**Statutes Being Implemented, Interpreted, or Made Specific:** AS 29.45.080; AS 29.45.090; AS 43.56.010; AS 43.56.060; AS 43.56.110; AS 43.56.120.

Department of Revenue Notice of Proposed Regulations

**Fiscal Information:** The proposed regulation changes are not expected to require an increased appropriation.

DATE: September 21, 2016  
Anchorage, Alaska

/s/ Ken Alper  
Ken Alper  
Director, Tax Division  
(907) 269-6620