Revenues

Before production begins, the development leads to reduced state tax revenue, since capital expenditures can be deducted against production tax accrued elsewhere on the North Slope, and corporate income tax is reduced by increases in spending. This is displayed as negative revenue. Conversely, lease rental revenue and property tax revenue are modeled to begin in FY 2024, before production begins.

As soon as oil production begins in FY 2029, as modeled, production royalty payments begin, and annual impacts on corporate income tax are assumed to become positive.

Production tax revenue begins in FY 2030, remaining at low levels initially due to lease expenditure deductions, Gross Value Reduction (GVR), and tax credits under AS 43.55. 24(i) (GVR). The interaction between these items, and with per-barrel tax credits under AS 43.55.024(j) (non-GVR), causes significant annual variation in production tax revenue. In addition, since much of the increase in annual state revenue from the reduction in TAPS tariff comes as incremental increases in production tax, such revenue is similarly variable.

Cumulative To Year	Impacted Community Share of Royalty	Federal Share of Royalty	NSB Share of Property Tax	State Share of Property Tax	State Production Tax	TAPS Tariff Impact to State	State Corporate Income Tax	Federal Corporate Income Tax	Total Government Revenue
2033	1,557.9	1,557.9	417.6	46.7	(1,063.6)	351.2	169.4	801.3	3,838.4
2043	3,129.9	3,129.9	969.9	108.4	1,621.1	1,133.3	584.9	2,767.4	13,444.8
2053	3,699.0	3,699.0	1,263.9	141.2	2,737.4	1,750.7	725.5	3,432.3	17,449.0

Table 1: Cumulative Revenues by Category after 10, 20, and 30 Years, $ millions.