

Analysis of Goldsmith FY 2013 Production Tax Estimate

(Derived from ADOR Fall 2013 Revenue Sources Book, p. 104)

Lines 2 through 5, 7, 10 and 11 should be calculated as taxable amounts per barrel.

	ADOR RSB <i>(Fall 2013, p. 104)</i>	GOLDSMITH <i>(May 1, 2014, p. 3)</i>				
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	(1)	(2)	(3)	(4)	(How Calculated)	
1. Market Price and Volume						
a. – ANS Market Price (\$ /bbl.)	\$107.57	\$107.57	\$107.57	\$107.57		
b. – Total Annual Production (000 bbls.)	194,034	194,034	194,034	194,034		Fall 2013
c. – Royalty Bbls. (State, Federal & other 000 bbls)	<u>(30,177)</u>	<u>(30,177)</u>	<u>(30,177)</u>	<u>(30,177)</u>		Revenue Sources
d. – Total Taxable Barrels (000 bbls.)	163,857	163,857	163,857	163,857		Book, p. 104
2. Transportation Costs (\$ / bbl.)	\$9.76	\$9.76	\$9.76	\$9.76		
3. Royalty Share at Wellhead per Taxable Bbl.		\$15.21 ?	\$15.21 ?	[] ?		= Lines (1a -2)*(1c /1b)
4. Lease Expenditures (\$/bbl)						
a. – Deductible Operating Expenditures –	\$17.39	\$14.69 ?	\$14.69 ?	\$14.69 ?		= (ADOR) * (1d/1b)
b. – Deductible Capital Expenditures –	<u>\$12.66</u>	<u>\$10.69</u> ?	<u>\$10.69</u> ?	<u>\$10.69</u> ?		= (ADOR) * (1d/1b)
c. – Total Lease Expenditures –	\$30.05	\$25.38 ?	\$25.38 ?	\$25.38 ?		= (ADOR) * (1d/1b)
5. Production Tax Value (PTV)	\$67.76	\$57.22 ?	\$57.22 ?	\$72.43 ?		= Lines (1 - 2 - 3 - 4c)
6. ACES Production Tax Rate (%)						
a. – Base Production Tax = (Line 5) * 25%	25.00%	25.00%	25.00%	25.00%		
b. – Progressive Surcharge (PTV between \$30.00 and \$92.50 per bbl. = [PTV - \$30] * 0.4%)	<u>15.10%</u>	<u>15.10%</u> ?	<u>10.89%</u> ?	<u>16.97%</u> ?		= (Line 5 - \$30)*0.4%
c. – ACES Production Tax Rate = (6A + 6B)	40.10%	40.10% ?	35.89% ?	41.97% ?		= Lines (6a + 6b)
7. Nominal Tax before credits per bbl. (\$/bbl.)	\$27.17	\$22.95 ?	\$20.54 *	\$30.40 *		= Lines (5 * 6c)
8. Total Tax Liability before credits (\$ Million)	\$4,452.7	\$4,452.4 ?	\$3,365.2 *	\$4,981.7 *		= Lines (1d * 7)
9. Total Production Tax Credits (\$ Million)	\$430.0	\$430.0	\$430.0	\$430.0		Fall 2013 RSB, p. 104
10. Production Tax Credits per barrel (\$/bbl.)	\$2.62	\$2.22 ?	\$2.62 *	\$2.62 *		= Line 9 / (1b or 1d)
11. Effective Tax after credits per bbl. (\$/bbl.)	\$24.55	\$20.73 ?	\$17.91 *	\$27.78 *		= Lines (7 - 10)
12. Total Production Tax Liability after credits – (\$ Million)	\$4,022.7	\$4,022.4 ?	\$2,935.2 *	\$4,551.7 *		= Lines (8 - 9)

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