

Adam Crum
Commissioner

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Department of
Revenue

Juneau, Alaska

STATE OF ALASKA

PRESS RELEASE

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Corrected: Department of Revenue Releases Fall 2022 Revenue Sources Book

Thursday, December 15, 2022 (Juneau, AK) – Department of Revenue Commissioner Adam Crum is pleased to announce the release of the Fall 2022 *Revenue Sources Book*. The *Revenue Sources Book* includes the Department's fall forecast of oil price, oil production, and state revenue as well as a wealth of valuable supplemental information and discussion.

Unrestricted General Fund (UGF) revenue, before accounting for the transfer from the Permanent Fund Earnings Reserve, is forecast to be \$3.9 billion in fiscal year (FY) 2023 and \$3.4 billion in FY 2024.

The Permanent Fund is **set** to transfer \$3.4 billion to the General Fund in FY 2023 and \$3.5 billion in FY 2024. These amounts include funds that are available for general government spending and the payment of dividends. The Permanent Fund transfer remains a large source of UGF revenue, contributing 44% of UGF in FY 2022 and projected to contribute in the range of 47% to 61% in each of the next ten years.

For FY 2022, Alaska North Slope (ANS) oil prices averaged \$91.41 per barrel. The revenue forecast incorporates the most current indications from financial markets and is based on an annual average ANS oil price of \$88.45 per barrel for FY 2023 and \$81.00 per barrel for FY 2024. Prices are expected to decline beyond FY 2024, stabilizing at \$75.00 per barrel by FY 2032.

For FY 2022, ANS oil production averaged 476,500 barrels per day. ANS oil production is expected to average 491,700 barrels per day in FY 2023 and 503,700 barrels per day in FY 2024, before climbing to 543,300 barrels per day by FY 2032.

Compared to the Department's Spring 2022 Forecast which was released in March 2022, the ANS oil price forecast has decreased by \$12.55 per barrel for FY 2023 and \$9.00 per barrel for FY 2024. The ANS oil production forecast decreased by 10,600 barrels per day for FY 2023 and increased by 500 barrels per day for FY 2024. Driven by this modestly lower outlook for oil price, the Unrestricted General Fund (UGF) revenue forecast has decreased by \$1.1 billion for **FY 2023** and \$0.7 billion for **FY 2024**.

The *Revenue Sources Book* is an annual publication that provides basic information about state revenue, as well as a forecast of state revenue over the next ten years. The *Revenue Sources Book* is available on the Department's website at www.tax.alaska.gov.

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