

Adam Crum
Commissioner

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Department of
Revenue

Juneau, Alaska

STATE OF ALASKA

PRESS RELEASE

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Department of Revenue Releases Fall 2023 Revenue Forecast

Thursday, December 14, 2023 (Juneau) – The Department of Revenue (DOR) Commissioner Adam Crum is pleased to announce the release of the Fall 2023 *Revenue Sources Book* (RSB). The RSB includes DOR's fall forecast of oil price, oil production, and state revenues, including valuable supplemental information.

Unrestricted General Fund (UGF) revenue, before accounting for the operating transfer from the Permanent Fund Earnings Reserve, is forecast to be \$3.0 billion for fiscal year (FY) 2024 and \$2.7 billion for FY 2025, respectively.

The Permanent Fund is set to transfer \$3.5 billion to the General Fund for FY 2024 and \$3.7 billion for FY 2025, respectively. These amounts include funds that are available for general government spending and annual payment of dividends to Alaskan residents. The Permanent Fund operating transfer remains a large source of funding to the General Fund, contributing 48% of UGF for FY 2023 and projected to contribute a range of 54% to 62% for each of the next ten years.

In FY 2023, the Alaska North Slope (ANS) oil prices averaged \$86.63 per barrel. The Fall revenue forecast incorporates the most current indicators from the financial markets and is based on an annual average ANS oil price. The ANS oil price for FY24 is projected at \$82.39 per barrel and \$76.00 for FY 2025, respectively. Oil prices are expected to decline beyond FY 2025, stabilizing at \$70.00 per barrel by FY 2033.

In FY 2023, ANS oil production averaged 479,400 barrels per day. ANS oil production is expected to average 470,300 barrels per day for FY 2024 and 463,800 for FY 2025, respectively, before climbing to 633,000 barrels per day by FY 2033.

In comparison to the DOR's Spring 2023 Revenue Forecast, which was released in March 2023, the ANS oil price forecast increased by \$9.39 per barrel for FY 2024 and \$6.00 per barrel for FY 2025. The ANS oil production forecast decreased by 26,100 barrels per day for FY 2024 and by 34,200 barrels per day for FY 2025. Driven by the revised outlook of oil price and production, the Unrestricted General Fund revenue forecast increased by \$228 million for FY 2024 and \$79 million for FY 2025.

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

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