

Adam Crum
Commissioner

www.DOR.Alaska.Gov



Department of
Revenue

Juneau, Alaska

STATE OF ALASKA

PRESS RELEASE

FOR IMMEDIATE RELEASE

24-003

Department of Revenue Releases Spring 2024 Revenue Forecast

Wednesday, March 13, 2024 (Juneau) – Department of Revenue (DOR) Commissioner Adam Crum is pleased to announce the release of the Spring 2024 Revenue Forecast. The forecast includes DOR's updated outlook for oil price, oil production, and state revenues.

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 \$2.8 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 54% of UGF for FY 2024, based on the Spring 2024 Revenue Forecast, and is 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 Spring 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 FY 2024 is projected at \$84.08 per barrel and \$78.00 for FY 2025, respectively. The department's forecast assumes that annual average prices will be within a range of \$69.00 to \$75.00 per barrel (nominal) for the remainder of the forecast period.

In FY 2023, ANS oil production averaged 479,400 barrels per day. ANS oil production is expected to average 467,600 barrels per day for FY 2024 and 476,800 for FY 2025, respectively, before climbing to 641,100 barrels per day by FY 2034.

In comparison to the DOR's Fall 2023 Revenue Forecast, which was released in December 2023, the ANS oil price forecast increased by \$1.69 per barrel for FY 2024 and \$2.00 per barrel for FY 2025. The ANS oil production forecast decreased by 2,800 barrels per day for FY 2024 and increased by 13,100 barrels per day for FY 2025. Driven by the revised outlook of oil price and production, the Unrestricted General Fund revenue forecast increased by \$58 million for FY 2024 and \$140 million for FY 2025.

The Spring Revenue Forecast is an annual update to the Fall *Revenue Sources Book*, providing basic information about state revenues, as well as a forecast of state revenues over the next ten years. The revenue forecast is available on DOR's website at www.tax.alaska.gov.

###

Media Contact: Aimee Bushnell, (907)465-6829, aimee.bushnell@alaska.gov