



LAWS OF ALASKA

1989

Source

CSHB 118(Res)(efd fld)

Chapter No.

25

AN ACT

Relating to the oil and gas properties production tax.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

THE ACT FOLLOWS ON PAGE 1, LINE 9.

Approved by the Governor: May 8, 1989
Actual Effective Date: August 6, 1989, retroactive to
January 1, 1989

AN ACT

Relating to the oil and gas properties production tax.

* Section 1. AS 43.55.013(b) is repealed and reenacted to read:

(b) The economic limit factor for oil production of a lease or property shall be computed according to the following formula:

$$(1 - [PEL/TP]) \exp [(150,000 / (TP/Days))] \exp [(460 \times WD) / PEL]$$

where: PEL = the monthly production rate at the economic limit;

TP = the total production during the month for which the tax is to be paid;

WD = the total number of well days in the month for which the tax is to be paid;

Days = the number of days in the month for which the tax is to be paid; and

exp = exponent.

* Sec. 2. AS 43.55.013(d) is repealed and reenacted to read:

(d) The monthly production rate at the economic limit for a lease or property is 300 barrels times the number of well days for the lease or property during the month for which the tax is to be paid.

* Sec. 3. AS 43.55.013(e) and 43.55.013(f) are repealed.

* Sec. 4. RETROACTIVE APPLICATION. This Act is retroactive to January 1, 1989, and applies to oil produced after December 31, 1988.

* Sec. 5. ALTERNATIVE RETROACTIVE APPLICATION DATES. (a) If a court makes a final determination that retroactive application under sec. 4 of

Chapter 25

1 this Act is invalid, this Act is retroactive to the first day of the month
2 in which it takes effect, and applies to oil produced on or after that day.

3 (b) If a court makes a final determination that retroactive applica-
4 tion under (a) of this section is invalid, this Act applies to oil produced
5 on or after the effective date of this Act.

6 * Sec. 6. PAYMENT OF TAX DUE. The oil production tax payable as a
7 result of the retroactive application of this Act is due on the 20th day of
8 the calendar month following the effective date of this Act. If the tax
9 due and payable is not paid by the date specified in this section, the tax
10 becomes delinquent and subject to payment of interest and the provisions of
11 AS 43.10 relating to enforcement and collection of delinquent taxes.

12 * Sec. 7. OVERPAYMENT OF TAX UNDER REVISED FORMULA. The tax liability
13 of a party that is reduced by the retroactive application of this Act shall
14 be credited against the taxpayer's future tax liability. The provisions of
15 AS 43.05.280(a) and 43.05.280(b)(1) do not apply to, and interest is not
16 allowed on, the overpayment.