

**HOUSE BILL NO. 300**

IN THE LEGISLATURE OF THE STATE OF ALASKA  
TWENTY-THIRD LEGISLATURE - FIRST SESSION

**BY REPRESENTATIVE MASEK**

**Introduced: 5/6/03**

**Referred: House Special Committee on Oil and Gas, Resources, Finance**

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act repealing the economic limit factor as it applies to oil; and providing for an**  
2 **effective date."**

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

4 **\* Section 1.** AS 43.55.011(a) is amended to read:

5 (a) There is levied upon the producer of oil a tax for all oil produced from  
6 each lease or property in the state, less any oil the ownership or right to which is  
7 exempt from taxation. The tax is equal to either the percentage-of-value amount  
8 calculated under (b) of this section or the cents-per-barrel amount calculated under (c)  
9 of this section, whichever is greater [, MULTIPLIED BY THE ECONOMIC LIMIT  
10 FACTOR DETERMINED FOR THE OIL PRODUCTION OF THE LEASE OR  
11 PROPERTY UNDER AS 43.55.013]. If the amounts calculated under (b) and (c) of  
12 this section are equal, the amount calculated under (b) of this section shall be treated  
13 as if it were the greater for purposes of this section.

14 **\* Sec. 2.** AS 43.55.013(j) is amended to read:

1           (j) The department may aggregate two or more leases or properties, or  
 2           portions of them [(OR PORTIONS OF THEM)], for purposes of determining  
 3           economic limit factors under this section and applying them to [AS 43.55.011 OR]  
 4           AS 43.55.016, when economically interdependent [OIL OR] gas production  
 5           operations are not confined to a single lease or property. The department may also  
 6           segregate a lease or property into two or more parts, for purposes of determining  
 7           economic limit factors under this section and applying them under [AS 43.55.011 OR]  
 8           AS 43.55.016, when two or more economically independent [OIL OR] gas production  
 9           operations are being conducted on it [, OR WHEN OLD CRUDE OIL IS  
 10          PRODUCED FROM THE SAME LEASE OR PROPERTY AS OTHER OIL].

11       \* **Sec. 3.** AS 43.55.013 is amended by adding a new subsection to read:

12           (l) An economic limit factor does not apply to oil produced from a lease or  
 13          property situated in the state.

14       \* **Sec. 4.** AS 43.55.013(b) and 43.55.013(d) are repealed.

15       \* **Sec. 5.** This Act takes effect July 1, 2003.