

1 IN THE HOUSE

BY SKINNER

2 HOUSE BILL NO. 416

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act raising the oil and gas production
7 tax to allow for a decrease in the individual
8 income tax; and providing for an effective
9 date."

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

11 * Section 1. AS 43.55.010(a) is amended to read:

12 (a) There is levied upon every person producing oil and
13 gas a tax of eight [ONE] per cent of the gross value at the
14 well of all oil and gas produced in the state, less the value
15 of any part, the ownership or right to which is exempt from
16 taxation. The tax is upon the whole production, including
17 what is commonly known as the royalty interest.

18 * Sec. 2. The increase in the oil and gas production tax
19 revenue provided for in sec. 1 of this Act shall be used as a basis
20 by the Department of Revenue for determining by what per cent the
21 individual income tax provided for in AS 43.20.010(a) can be
22 decreased from 16 per cent to a lower per cent in the tax year
23 following the receipt of the oil and gas production revenues. The
24 percentage decrease in the individual income tax levy shall not
25 exceed 75 per cent of the revenue derived from the oil and gas
26 production tax, using the net collection for the fiscal year end-
27 ing June 30 of the immediately preceding tax year as a base.

28 * Sec. 3. This Act takes effect on July 1, 1967.

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