

1 IN THE HOUSE

BY FINK, MILLER, SMITH,
AND TILLION

2 HOUSE BILL NO. 376

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the oil and gas properties pro-
7 duction tax."

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

9 * Section 1. AS 43.55.010(a) is repealed and re-enacted to read:

10 (a) There is levied upon every person producing oil and gas a
11 tax on the gross value at the well of all oil and gas produced in the
12 state, less the value of any part, the ownership or right to which is
13 exempt from taxation. The tax is upon the whole production, including
14 what is commonly known as royalty interest. The rates of taxation are
15 as follows:

16 (1) on oil from a basin which yielded not more than 36,500,000
17 barrels of oil the preceding year, the tax shall be one per cent;

18 (2) on gas from a basin which yielded not more than
19 1,000,000,000 cubic feet of gas the preceding year, the tax shall be
20 one per cent;

21 (3) on oil from a basin which yielded more than 36,500,000
22 barrels of oil the preceding year, the tax shall be four per cent;
23 however, the tax on oil substantially processed or consumed within
24 the state, as provided in regulations of the Department of Natural
25 Resources, is two per cent;

26 (4) on gas from a basin which yielded more than 1,000,000,000
27 cubic feet of gas the preceding year, the tax shall be four per cent;
28 however, the tax on gas substantially processed or consumed within the
29 state, as provided in regulations of the Department of Natural

1 Resources is two per cent.

2 * Sec. 2. AS 43.55.080 is amended to read:

3 Sec. 43.55.080. COLLECTION AND DEPOSIT OF REVENUE. (a) The De-
4 partment shall deposit quarterly in the general fund the money collect-
5 ed by it under this chapter. One-half of the money deposited shall be
6 placed in a special oil and gas properties production tax account in
7 the general fund. The legislature may appropriate funds from the
8 special account for expenditure by cities and organized boroughs for
9 education.

10 (b) Money appropriated from the special account to the cities and
11 organized boroughs, under (a) of this section, shall be distributed as
12 follows: divide the total amount distributed under the Public School
13 Foundation Program (AS 14.17) for the previous fiscal year into the
14 amount received by a particular school district under that program for
15 the previous fiscal year; the percentage figure obtained shall be
16 the share of the city or organized borough in which that particular
17 school district is located.