

Original Sponsor: Rules Committee
by Request of the Governor

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 15

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTH LEGISLATURE - FIRST SPECIAL SESSION

5 A BILL

6 For an Act entitled: "An Act providing for a disaster relief tax; and
7 providing for an effective date."

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

9 * Section 1. AS 43 is amended by adding a new chapter to read:

10 CHAPTER 43. DISASTER SEVERANCE TAX

11 Sec. 43.43.010. DECLARATION OF INTENT. The legislature intends
12 to provide a source of revenue to help meet the financial obligations
13 of the state, including alleviating the effects of natural disasters
14 wherever and whenever they may occur in the state.

15 Sec. 43.43.020. TAX IMPOSED. There is levied a disaster
16 severance tax upon every person producing oil and gas a tax of one
17 per cent of the gross value at the well of all oil and gas produced in
18 the state, less the value of any part, the ownership of right to which
19 is exempt from taxation. The tax is upon the whole production, in-
20 cluding what is commonly known as the royalty interest.

21 Sec. 43.43.030. COLLECTION AND ADMINISTRATION. The tax levied
22 in sec. 20 of this chapter shall be administered and collected in the
23 same manner as the oil and gas properties production tax, as prescribed
24 in AS 43.55.

25 Sec. 43.43.040. SPECIAL ACCOUNT. The tax levied in sec. 20 of
26 this chapter shall be deposited in the general fund. The commissioner
27 of revenue shall report to the legislature the amount of money col-
28 lected and deposited in the general fund under this article during the
29 preceding fiscal year. The report shall be filed with the finance

1 committees of the legislature within five days after the legislature
2 convenes.

3 Sec. 43.43.050. TERMINATION OF TAX. (a) When at the close of a
4 fiscal year the combined amount received since the effective date of
5 this tax from all the taxes collected under this chapter, plus any
6 unexpended appropriations for disaster purposes exceeds by more than
7 \$7,500,000 the amounts appropriated out of the general fund after
8 August 15, 1967 for disaster purposes, then at that time the tax under
9 sec. 20 of this chapter shall terminate.

10 (b) Once the tax required by sec. 20 of this chapter is
11 terminated in accordance with (a) of this section, it shall auto-
12 matically be reimposed at the beginning of the first fiscal year fol-
13 lowing the end of that fiscal year in which the combined amount re-
14 ceived since the effective date of this tax from all taxes collected
15 under this chapter plus any unexpected appropriations for disaster
16 purposes is less than \$5,000,000 more than the amounts appropriated
17 out of the general fund after August 15, 1967 for disaster purposes.

18 (c) The tax required by sec. 20 of this chapter will continue
19 to be imposed and terminated following the formula prescribed in (a)
20 and (b) of this section.

21 Sec. 43.43.060. DEFINITION. In this chapter "appropriated for
22 disaster purposes" means appropriations which would not have occurred
23 except for a natural disaster.

24 * Sec. 2. This Act takes effect on the day after its passage and
25 approval or on the day it becomes law without approval.

26 CSHB 15
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