

Original sponsor: Fink, Bradner, Kay
and Moses

Offered: 4/4/69
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 75

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to revenues from oil and gas
7 properties."

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 AS 43.55.010(a) is repealed and re-enacted to read: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 (1) each barrel of oil produced and not consumed within the
12 state and (2) the gross value at the well of all gas produced and not
13 consumed within the state, less any part or the value of any part the
14 ownership or right to which is exempt from taxation. The tax is upon
15 the whole production, including what is commonly known as the royalty
16 interest. The rates of taxation are as follows:

17 (A) on a barrel of oil

18 (i) of 22 gravity and below, 21 cents;

19 (ii) above 22 gravity and not above 28 gravity, 22
20 cents;

21 (iii) above 28 gravity and not above 31 gravity, 23
22 cents;

23 (iv) above 31 gravity and not above 32 gravity, 24
24 cents;

25 (v) above 32 gravity and not above 36 gravity, 25
26 cents;

27 (vi) above 36 gravity and not above 43 gravity, 26
28 cents; and

29 (vii) above 43 gravity, 28 cents;

1 (B) on gas, eight per cent.

2 * Sec. 2. AS 43.55 010(b) is amended to read:

3 (b) Payment of the tax as in lieu of all ad valorem taxes now or
4 hereafter imposed by the state and cities or organized boroughs of any
5 class, whether home rule or otherwise, [CITIES, TOWNS, SCHOOL DISTRICTS,
6 AND OTHER LOCAL GOVERNMENT UNITS] upon (1) property rights attached to
7 or inherent in the right to producing oil or gas, (2) producing oil or
8 gas leases, (3) machinery, appliances and equipment used in and around
9 a well producing oil or gas and actually used in the operation of the
10 well, (4) oil and gas produced in the state upon which gross produc-
11 tion taxes are paid, and (5) an investment in property described in
12 this section.

13 * Sec. 3. AS 43.55.010 is amended by adding new subsections to read:

14 (e) If the tax provided for under (a) of this section is found to
15 be unconstitutional by the supreme court of the state, there is levied
16 upon every person producing oil and gas a tax of 10 per cent of the
17 gross value at the well of gas produced in the state and 50 cents per
18 barrel of oil or 10 per cent of its value, whichever is greater, less
19 the value of any part, the ownership or right to which is exempt from
20 taxation. The tax is upon the whole production, including what is
21 commonly known as the royalty interest.

22 (f) In (a) of this section, "consumed" means produced, processed
23 and used up within the state; processing in any form, or use as an
24 ingredient of a manufactured product, does not by itself constitute
25 being consumed under (a) of this section.
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