

Original sponsor: Rules Committee by request of the Governor

AM

Offered: 5/20/70
Made Special Order Business

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 HOUSE CS FOR SENATE BILL NO. 390

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to taxation of oil and gas production
7 and providing for an effective date."

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

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

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

16 (1) oil -- based upon the average daily production for each
17 well for the calendar month in barrels, the tax is

18 (A) three per cent on the first 250 barrels;

19 (B) four per cent on the next 500 barrels;

20 (C) six per cent on the next 500 barrels;

21 (D) eight per cent on all production in excess of

22 1,250 barrels;

23 (E) no tax on the production of a well which the
24 commissioner of natural resources determines is incapable of
25 producing more than a monthly average of 100 barrels a day;

26 (2) gas -- the rate shall be four per cent of the gross
27 value of the gas and liquid products produced.

28 * Sec. 2. AS 43.55.020(a) is amended to read:

29 (a) The gross production tax on oil or gas shall be paid monthly

1 [QUARTERLY]. The tax is due on the last day of each [THE] calendar
2 month [FOLLOWING THE PRECEDING QUARTERLY PERIOD] on all oil and gas
3 produced in and saved during the preceding month [QUARTERLY PERIOD].
4 If the tax is not paid on or before the end of the month in which it
5 becomes due, the tax becomes delinquent.

6 * Sec. 3. AS 43.55.030(c) is amended to read:

7 (c) Each [EVERY] person engaged in the production of oil and gas
8 shall on the last day of each [THE] calendar month [FOLLOWING A
9 QUARTERLY PERIOD], file with the department a statement under oath
10 upon forms prescribed by the department, giving, along with other
11 information required, the following:

12 (1) the name of the property, description by subdivision
13 of quarter section, section, township and range, or other legal
14 description by metes and bounds;

15 (2) the gross amount of oil or gas produced and saved;

16 (3) the name of the purchaser and the price received for
17 the oil or gas.

18 * Sec. 4. AS 43.55.140(5) is repealed and re-enacted to read:

19 (5) "month" and "monthly" mean calendar monthly periods,
20 the first month having begun on the first day of the month following
21 the effective date of this Act.

22 * Sec. 5. The first monthly return under this Act is due on August 31,
23 1970 and shall include the gross production tax on all oil and gas produced
24 and saved during the month of July 1970. The last quarterly report covering
25 production prior to July 1970 shall be filed and paid before August 1, 1970.

26 * Sec. 6. AS 31.05.130 - 31.05.140; and AS 43.43.110 - 43.43.160 are
27 repealed.

28 * Sec. 7. This Act takes effect on July 1, 1970.
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