

Original sponsor: Rules Committee by re-  
quest of the Governor

Offered: 5/20/70  
Made Special Order Business

1 IN THE SENATE

BY THE FINANCE COMMITTEE

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HOUSE CS FOR SENATE BILL NO. 390

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IN THE LEGISLATURE OF THE STATE OF ALASKA

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SIXTH LEGISLATURE - SECOND SESSION

5

A BILL

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

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

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 AS 43.55.010(a) is repealed and re-enacted to read:

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(a) There is levied upon every person producing oil and gas a tax  
on (1) each barrel of oil produced within the state and (2) the gross  
value at the well of all gas produced within the state, less any part of  
the value of any part the ownership or right to which is exempt from  
taxation. The tax is upon the whole production, including what is com-  
monly known as the royalty interest. The rates of taxation are as follows:

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(A) on a barrel of oil

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

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(ii) above 22 gravity and not above 28 gravity, \$.20;

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(iii) above 28 gravity and not above 31 gravity, \$.21;

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(iv) above 31 gravity and not above 32 gravity, \$.225

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(v) above 32 gravity and not above 36 gravity, \$.245

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(vi) above 36 gravity and not above 43 gravity, \$.25;

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and

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(vii) above 43 gravity, \$.26

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(B) wells incapable of producing more than an average

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of 100 barrels per day, 1/2 scheduled fees;

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(C) on gas, four per cent.

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

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(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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