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Referred: Judiciary, State
Affairs and Finance

BY THE JUDICIARY COMMITTEE
BY REQUEST

1 IN THE SENATE

2 SENATE BILL NO. 575

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act providing for a North Slope Road severance
7 tax on North Slope oil production."

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

9 * Section 1. DECLARATION OF INTENT. The legislature intends to provide
10 a source of revenue to reimburse the state for all costs of construction
11 (plus interest thereon at the rate of six per cent per annum until full reim-
12 bursement is made) of the North Slope Road as defined by an Act entitled:
13 "An Act authorizing construction of a North Slope Road (meeting state second-
14 ary standards) from Fairbanks, Alaska to the Arctic Ocean; and providing
15 for an effective date."

16 * Sec. 2. TAX IMPOSED. There is levied upon every person producing oil
17 on the North Slope (more precisely defined as those areas of Alaska lying
18 north of 68 degrees latitude) a severance tax of five cents per barrel
19 (42 U. S. gallons) of all oil produced, less the value of any part, the
20 ownership or right to which is exempt from taxation.

21 * Sec. 3. COLLECTION AND ADMINISTRATION. The tax levied by this Act
22 shall be administered and collected in the same manner as the oil and gas
23 properties production tax as prescribed in AS 43.55.

24 * Sec. 4. SPECIAL ACCOUNT. The tax levied under this Act shall be
25 deposited in the general fund. The commissioner of revenue shall report to
26 the legislature the amount of money collected and deposited in the general
27 fund under this Act during the preceding fiscal year. The report shall be
28 filed with the finance committees of the legislature within five days after
29 the legislature convenes.

1 * Sec. 5. TERMINATION OF TAX. When at the close of a fiscal year, the
2 amounts received under the provisions of this Act exceed the cost to the
3 state of construction (plus interest on state expenditures at the rate of
4 six per cent per annum) of the North Slope Road as defined by an Act
5 entitled: "An Act authorizing construction of a North Slope Road (meeting
6 state secondary standards) from Fairbanks, Alaska to the Arctic Ocean; and
7 providing for an effective date;" the tax provided for in this Act terminates.