

1 IN THE HOUSE

BY KERTTULA

2 HOUSE BILL NO. 23

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

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

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

9 * Section 1. AS 43.55.020(a) is amended to read:

10 (a) The gross production tax on oil or gas shall be paid monthly
11 [QUARTERLY]. The tax is due on the last day of each [THE] calendar
12 month [FOLLOWING THE PRECEDING QUARTERLY PERIOD] on all oil or gas
13 produced [IN AND SAVED] during the preceding month [QUARTERLY PERIOD].
14 If the tax is not paid on or before the end of the month in which it
15 becomes due, the tax becomes delinquent.

16 * Sec. 2. AS 43.55.020(b) is amended to read:

17 (b) The gross production tax on oil or gas [SOLD AT THE TIME OF
18 PRODUCTION] shall be paid by or on behalf of the first [THE] purchaser,
19 and [THE PURCHASE SHALL DEDUCT] the amount of the tax paid by the
20 purchaser shall be deducted in making settlement with the producer or
21 royalty owner, or both.

22 * Sec. 3. AS 43.55.020(c) is amended to read:

23 (c) The [IF OIL ON WHICH THE] gross production tax [IS DUE IS NOT
24 SOLD AT THE TIME OF PRODUCTION BUT IS RETAINED BY THE PRODUCER, THE TAX]
25 on [THE] oil not sold but retained by the producer shall be paid by
26 or on behalf of the producer [FOR HIMSELF] including the tax due on
27 royalty oil not sold.

28 * Sec. 4. AS 43.55.030(a) is repealed and re-enacted to read:

29 (a) The tax shall be paid to the department on forms prescribed

1 by the department. The producer or person paying the tax shall, by
2 the last day of each month and for the preceding calendar month, file
3 with the department the forms giving

- 4 (1) the name and legal description of the lease from which
5 the oil or gas was produced, including the assigned accounting code
6 number;
- 7 (2) the names of the producer and the person paying the tax;
8 (3) the gross amount of oil or gas produced from the lease;
9 (4) the total value of oil or gas produced from the lease;
10 (5) the name of the first purchaser and the price received
11 for the oil or gas if sold.

12 * Sec. 5. AS 43.55.030(d) is amended to read:

13 (d) Reports from the [PURCHASER OR] producer or person paying the
14 tax are delinquent 30 days after the time fixed for filing the reports.
15 Each person required to file a report is subject to a penalty of \$25
16 a day for each lease or property upon which he fails or refuses to file
17 a report. The penalty for failure to file a report is in addition to
18 the penalty for delinquent taxes, and is a lien against the assets of
19 the person failing or refusing to file the reports.

20 * Sec. 6. AS 43.55.080 is amended to read:

21 Sec. 43.55.080. COLLECTION AND DEPOSIT OF REVENUE. The department
22 shall deposit monthly [QUARTERLY] in the general fund the money
23 collected by it under this chapter.

24 * Sec. 7. AS 43.55 is amended by adding a new section to read:

25 Sec. 43.55.135. MEASUREMENT. For the purposes of this chapter,
26 oil shall be measured in terms of a "barrel of oil" and gas shall be
27 measured in terms of a "cubic foot of gas."

28 * Sec. 8. AS 43.55.140 is repealed and re-enacted to read:

29 Sec. 43.55.140. DEFINITIONS. In this chapter

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(1) "oil" means crude petroleum oil and other hydrocarbons regardless of gravity which are produced at the wellhead in liquid form and the liquid hydrocarbons known as distillate or condensate recovered or extracted from gas;

(2) "gas" means all natural, associated or casinghead gas and all hydrocarbons produced at the wellhead not defined as oil;

(3) "department" means the Department of Revenue;

(4) "barrel of oil" means 42 United States gallons of 231 cubic inches a gallon computed at a temperature of 60 degrees Fahrenheit

(5) "cubic foot of gas" means the volume of gas contained in one cubic foot of space measured at a pressure base of 14.65 pounds per square inch absolute and a temperature base of 60 degrees Fahrenheit

* Sec. 9. AS 43.55 is amended by adding a new section to read:

Sec. 43.55.150. SHORT TITLE. This chapter may be cited as the Oil and Gas Production Tax Act.

* Sec. 10. AS 43.55.020(f), 43.55.030(b) and 43.55.030(c) are repealed.

* Sec. 11. The first monthly return under this Act is due on May 31, 1971 and shall include the gross production tax on all oil and gas produced and saved during the month of April 1971. The last quarterly report covering production prior to April 1971 shall be filed and paid before May 1, 1971.

* Sec. 12. This Act takes effect on March 31, 1971.