

Introduced: 1/23/74
Referred: Resources, Judiciary
and Finance

1 IN THE HOUSE

BY FERGUSON

2 HOUSE BILL NO. 454

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 EIGHTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the oil and gas exploration,
7 production and pipeline transportation property tax;
8 and providing for an effective date."

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

10 * Section 1. AS 43.56.010(a) is amended to read:

11 (a) An annual tax of 20 mills is levied each tax year beginning
12 January 1, 1974, on the full and true value of taxable property taxable
13 under this chapter, except as provided in sec. 15 of this chapter.

14 * Sec. 2. AS 43.56.010 is amended by adding a new subsection to read:

15 (d) Notwithstanding (b) of this section or the limitation in
16 AS 29.53.045, a newly created borough incorporated after January 1, 1974
17 may, for a period not to exceed five years from the date of its incor-
18 poration, levy and collect a property tax at an annual rate not to
19 exceed 13 mills on the full and true value of taxable property located
20 within the borough taxable by a municipality under this chapter.

21 * Sec. 3. AS 43.56 is amended by adding a new section to read:

22 AS 43.56.015. OIL IN PLACE. An annual tax of 10 mills is levied
23 each year beginning January 1, 1975, on the full and true value of
24 an ownership interest in oil in place within the state.

25 * Sec. 4. AS 43.56.020(a) is amended to read:

26 (a) The following are exempt from local taxes levied or authorized
27 under sec. 10(b) and (d) of this chapter:

28 (1) property rights attached to or inherent in the right
29 to explore for or produce oil or gas;

1 (2) oil or gas leases or properties, whether producing or
2 not;

3 (3) oil or gas in place;

4 (4) oil or gas produced or extracted in the state;

5 (5) the value of intangible drilling expenses and exploration
6 expenses;

7 (6) an interest in property described in AS 43.55.010(b);

8 (7) before the construction commencement date, property
9 taxed under sec. 10(a) of this chapter which is committed by contract
10 or other agreement for use in this state primarily for pipeline trans-
11 portation of gas or unrefined oil or for the production of gas or un-
12 refined oil to be transported by that pipeline;

13 (8) before the construction commencement date, property taxed
14 under sec. 10(a) of this chapter which is committed by contract or other
15 agreement for use in this state primarily in the operation or maintenance
16 of facilities for pipeline transportation of gas or unrefined oil, or
17 facilities for production of gas or unrefined oil to be transported by
18 that pipeline.

19 * Sec. 5. AS 43.56.030 is amended to read:

20 Sec. 43.56.030. IN PLACE OF OTHER TAXES. Except for those taxes
21 imposed under ch. 55 and ch. 57 of this title, the taxes levied or
22 authorized under sec. 10(b) and (d) of this chapter are in place of

23 (1) all other ad valorem taxes or other taxes imposed by
24 a municipality on property subject to tax under this chapter or
25 exempted from taxation by sec. 20 of this chapter, and

26 (2) all other taxes imposed by a municipality on or with
27 respect to the property subject to tax under this chapter or exempted
28 from taxation by sec. 20 of this chapter, including, but not limited to,

29 (A) taxes on the retail sale or use of the property

1 except for the retail sales tax on the first \$1,000 of each sale;

2 (B) taxes on the sale or use of gas or unrefined oil;

3 (C) taxes on the sale or use of services used in or
4 associated with the property or in its erection, construction,
5 maintenance or operation except for the sales tax on the first
6 \$1,000 of each sale;

7 (D) taxes on or measured by gross or net income from
8 the property, including income from the exploration for, production
9 of, or pipeline transportation of gas or unrefined oil or property;
10 and

11 (E) any license, excise, fee, charge or other tax on
12 or pertaining to the property or services.

13 * Sec. 6. AS 29.53.045(a) is amended to read:

14 (a) A municipality, except newly formed boroughs subject to
15 sec. 50(c) of this chapter and AS 43.56.010(d), may levy and collect
16 taxes on taxable property taxable under AS 43.56 only by using one of
17 the methods set out in (b) or (c) of this section.

18 * Sec. 7. AS 29.53.050 is amended by adding a new subsection to read:

19 (c) A newly created borough incorporated after January 1, 1974
20 may, for a period not to exceed five years from the date of its incor-
21 poration, levy and collect a property tax at an annual rate not to
22 exceed 13 mills on the full and true value of taxable property located
23 within the limits of the borough, including property taxable under
24 AS 43.56.010, even though the revenues from the tax exceed the limits
25 set in (b) of this section.

26 * Sec. 8. This Act takes effect January 1, 1975.
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