

Offered: 4/18/74
Referred: Finance

1 IN THE SENATE

BY THE COMMUNITY AND REGIONAL
AFFAIRS COMMITTEE

2 SCS FOR CS FOR HOUSE BILL NO. 750

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 municipal and state property
7 taxing powers; and providing for an effective date."

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

9 * Section 1. AS 29.53.050(b) is repealed.

10 * Sec. 2. AS 43.56.020 is repealed and re-enacted to read:

11 Sec. 43.56.020. EXEMPTIONS. (a) There is exempt from state taxes
12 levied or authorized under sec. 10(a) of this chapter, before the
13 construction commencement date, property which is committed by contract
14 or other agreement for use in this state primarily for the production
15 or pipeline transportation of gas or unrefined oil, or in the operation
16 or maintenance of facilities for the production or pipeline transporta-
17 tion of gas or unrefined oil.

18 (b) The following are exempt from local taxes levied or authorized
19 under sec. 10(b) of this chapter:

- 20 (1) property rights attached to or inherent in the right to
21 explore for or produce oil or gas;
- 22 (2) oil or gas leases or properties, whether producing or not;
- 23 (3) oil or gas in place;
- 24 (4) oil or gas produced or extracted in the state;
- 25 (5) an interest in property described in AS 43.55.010(b).

26 (c) In (b)(2) of this section, "properties" means mineral inter-
27 ests in oil and gas and working interests, royalty interests, and over-
28 riding royalty interests in oil and gas leases.

29 * Sec. 3. AS 43.56.030(2)(C) is amended to read:

1 (C) taxes on the sale or use of services used in or
2 associated with the property or in its [ERECTION, CONSTRUCTION,]
3 maintenance or operation except for the sales tax on the first
4 \$1,000 of each sale;

5 * Sec. 4. AS 43.56.210 is amended by adding a new paragraph to read:

6 (8) "municipality" means a home rule or general law city
7 or borough and includes but is not limited to a unified municipality
8 organized under AS 29.68.

9 * Sec. 5. This Act is retroactive to January 1, 1974.

10 * Sec. 6. This Act takes effect on the day after its passage and approval
11 or on the day it becomes law without approval.
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