

Original sponsor: Rules Committee by
request of the Governor

Offered: 5/24/76

1 IN THE HOUSE

BY THE RULES COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 583

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - SECOND SESSION

5 A BILL

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

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

9 * Section 1. AS 43.56.010(b) is amended to read:

10 (b) A municipality may levy and collect a tax under AS 29.53.045
11 at the rate of taxation that applies to other property taxed by the
12 municipality. The [A] tax [COLLECTED BY A MUNICIPALITY AS AUTHORIZED
13 BY AS 29.53.045 SHALL BE CREDITED AGAINST THE TAX LEVIED UNDER (a) OF
14 THIS SECTION AND] shall be levied at a rate no higher than the rate
15 applicable to other property taxable by the municipality. No munici-
16 pality may exempt from taxation property authorized to be taxed under
17 this chapter. Exemptions shall be limited to those in AS 29.53.020 and
18 29.53.025 and sec. 20 of this chapter.

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

20 (d) A tax paid to a municipality under AS 29.53.045 on or before
21 June 30 of the tax year shall be credited against the tax levied under
22 (a) of this section for that tax year. If, however, a tax is not paid
23 to a municipality until after June 30 of the taxable year, the depart-
24 ment upon application shall refund to the taxpayer the amount of tax
25 paid to the municipality under AS 29.53.045. The credit or refund of
26 taxes paid to a municipality may not exceed the total amount of tax
27 levied by the department upon the taxpayer for the tax year, under (a)
28 of this section.

29 * Sec. 3. AS 43.56.150(a) is amended to read:

1 (a) The tax levied by sec. 10(a) of this chapter is payable to
2 the department on or before June 30 [SEPTEMBER 30] of the taxable
3 year.

4 * Sec. 4. AS 43.56 is amended by adding a new section to read:

5 Sec. 43.56.135. CERTIFICATION. No later than June 1 of each
6 year, the department shall certify the final assessment roll and mail
7 to the owner of the taxable property or his authorized agent a state-
8 ment of the amount of tax due.

9 * Sec. 5. AS 43.56.130(h) is repealed.

10 * Sec. 6. AS 43.55 is amended by adding a new section to read:

11 Sec. 43.55.150. DETERMINATION OF GROSS VALUE. (a) For the pur-
12 poses of this chapter, the gross value shall be calculated using the
13 reasonable costs of transportation of the oil or gas. The reasonable
14 costs of transportation shall be the actual costs, except

15 (1) when the parties to the transportation of oil or gas
16 are affiliated;

17 (2) when the contract for the transportation of oil or gas
18 is not an arm's length transaction or is not representative of the
19 market value of that transportation;

20 (3) when the method of transportation of oil or gas is not
21 reasonable in view of existing alternative methods of transportation.

22 (b) If the department finds that the conditions in (a)(1),(2),
23 and (3) of this section are present, the department shall determine
24 the reasonable costs of transportation, using the fair market value of
25 like transportation, the fair market value of equally efficient and
26 available alternative modes of transportation, or other reasonable
27 methods. Transportation costs fixed by tariff rates properly on file
28 with the Alaska Pipeline Commission or other regulatory agency shall
29 be considered prima facie reasonable.

1 * Sec. 7. AS 43.55.020(f) is amended to read:

2 (f) If oil or gas is sold under circumstances where the sale
3 price does not represent the [CASH PRICE] prevailing value for oil or
4 gas of like kind, character or quality in the field or area from which
5 the product is produced, the department may require the tax to be paid
6 upon the basis of the value of [PREVAILING PRICE THEN BEING PAID AT
7 THE TIME OF PRODUCTION OF THE OIL OR GAS IN THE FIELD FOR] oil or gas
8 of the same kind, quality and character prevailing during the calendar
9 month of production for that field or area.

10 * Sec. 8. AS 29.53.045(b) is amended to read:

11 (b) A municipality may levy and collect a tax on the full and
12 true value of taxable property taxable under AS 43.56 as valued by the
13 Department of Revenue at a rate not to exceed that which produces an
14 amount of revenue from the total municipal property tax equivalent to
15 \$1,500 [\$1,000] a year for each person residing within its boundaries.

16 * Sec. 9. This Act is retroactive to January 1, 1976.

17 * Sec. 10. This Act takes effect immediately in accordance with AS
18 01.10.070(c).