

Original sponsor: Rules Committee by  
request of the Governor

Offered: 3/24/78  
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 884

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making technical amendments relating to oil and  
7 gas taxes; 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 The tax is due on the last [20TH] day of each calendar month on oil or  
12 gas produced from each lease or property during the preceding month.  
13 [IF THE TAX IS NOT PAID BEFORE THE END OF THE MONTH IN WHICH IT BECOMES  
14 DUE, THE TAX BECOMES DELINQUENT.]

15 \* Sec. 2. AS 43.55.150 is amended to read:

16 Sec. 43.55.150. DETERMINATION OF [GROSS] VALUE. (a) For the  
17 purposes of this chapter, [THE GROSS] value shall be calculated using  
18 the reasonable costs of transportation of the oil or gas. The reason-  
19 able costs of transportation shall be the actual costs, except when one  
20 of the following conditions exists:

21 (1) [WHEN] the parties to the transportation of oil or gas  
22 are affiliated;

23 (2) [WHEN] the contract for the transportation of oil or gas  
24 is not an arm's length transaction or is not representative of the market  
25 value of that transportation; or

26 (3) [WHEN] the method of transportation of oil or gas or the  
27 choice of a particular person, entity, or facility, or vessel used for  
28 transportation is not reasonable in view of existing alternatives  
29 [ALTERNATIVE METHODS OF TRANSPORTATION].

1 (b) If the department finds that the conditions in (a)(1), (2),  
2 or [AND] (3) of this section are present, the department shall determine  
3 the reasonable costs of transportation, using the fair market value of  
4 like transportation, the fair market value of equally efficient and  
5 available alternative modes of transportation, or other reasonable  
6 methods. Transportation costs fixed by tariff rates properly on file  
7 with the Alaska Pipeline Commission or other regulatory agency shall be  
8 considered prima facie reasonable.

9 \* Sec. 3. AS 43.55.030(d) and 43.55.060 are repealed.

10 \* Sec. 4. This Act is retroactive to January 1, 1977.

11 \* Sec. 5. This Act takes effect immediately in accordance with AS 01.10.-  
12 070(c).