

Introduced: 2/13/79
Referred: Resources and
Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 187

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making technical amendments relating to oil
7 and 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 by the [BEFORE THE END OF THE MONTH IN WHICH IT
14 BECOMES] due date, 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
20 one of the following conditions exist:

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
24 gas is not an arm's length transaction or is not representative of the
25 market value of that transportation; or

26 (3) [WHEN] the method of transportation of oil or gas
27 or the choice of a particular person, entity, or facility, or vessel
28 used for transportation is not reasonable in view of existing alterna-
29 tives [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 deter-
3 mine the reasonable costs of transportation, using the fair market
4 value of like transportation, the fair market value of equally effi-
5 cient and available alternative modes of transportation, or other
6 reasonable methods. Transportation costs fixed by tariff rates pro-
7 perly on file with the Alaska Pipeline Commission or other regulatory
8 agency shall be 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 AS 43.55.030(d) and 43.55.060 are repealed.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, 1979.

11 * Sec. 5. This Act takes effect immediately in accordance with AS 01.-
12 10.070(c).

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