

Original sponsor: Rules/Governor

Offered: 3/14/79  
Referred: Finance

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 CS FOR 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 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. If  
13 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 the  
18 reasonable costs of transportation of the oil or gas. The reasonable  
19 costs of transportation shall be the actual costs, except when one of  
20 the following conditions exist:

21 (1) [WHEN THE PARTIES TO THE TRANSPORTATION OF OIL OR GAS ARE  
22 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  
25 market 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)(2) or (3)  
2 [(a)(1), (2), AND (3)] of this section are present, the department shall  
3 determine the reasonable costs of transportation, using the fair market  
4 value of like transportation, the fair market value of equally efficient  
5 and 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 AS 43.55.030(d) and 43.55.060 are repealed.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, 1979.

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

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