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Referred: Oil and Gas, Resources
and Finance

6-0366A

1 IN THE SENATE

BY KERTTULA

2

SENATE BILL NO. 114

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IN THE LEGISLATURE OF THE STATE OF ALASKA

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SIXTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act amending the oil properties production tax;
7 and providing for an effective date."

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

9 * Section 1. AS 43.55.011(c) is amended to read:

10 (c) The cents-per-barrel amount equals \$1.00 [\$0.60 PER BARREL
11 OF TAXABLE OLD CRUDE OIL PRODUCED FROM THE LEASE OR PROPERTY, AND
12 \$0.80] per barrel for all [OTHER] taxable oil produced from the lease
13 or property, both as adjusted by AS 43.55.012.

14 * Sec. 2. AS 43.55.013(j) is amended to read:

15 (j) The department may aggregate two or more leases or prop-
16 erties (or portions of them), for purposes of determining economic
17 limit factors under this section and applying them to AS 43.55.011 or
18 AS 43.55.016, when economically interdependent oil or gas production
19 operations are not confined to a single lease or property. The
20 department may also segregate a lease or property into two or more
21 parts, for purposes of determining economic limit factors under this
22 section and applying them under AS 43.55.011 or AS 43.55.016, when two
23 or more economically independent oil or gas production operations are
24 being conducted on it [, OR WHEN OLD CRUDE OIL IS PRODUCED FROM THE
25 SAME LEASE OR PROPERTY AS OTHER OIL].

26 * Sec. 3. AS 43.55 is amended by adding a new section to read:

27 Sec. 43.55.014. MINIMUM TAX. Notwithstanding the adjustment
28 authorized by AS 43.55.012 or the application of the economic limit
29 factor under AS 43.55.013, the tax payable under this chapter for oil

1 may not be less than

2 (1) \$1.00 per barrel of oil if the tax is determined under
3 the cents-per-barrel method set out in AS 43.55.011(c);

4 (2) an amount of revenue equivalent to \$1.00 per barrel of
5 oil if the tax is determined under the percentage-of-value method set
6 out in AS 43.55.011(b).

7 * Sec. 4. AS 43.55.140(11) is repealed.

8 * Sec. 5. This Act is retroactive to the first day of the month in
9 which it takes effect, and applies to oil produced on or after that day.

10 * Sec. 6. This Act takes effect immediately under AS 01.10.070(c).