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1 IN THE SENATE

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SENATE BILL NO. 260

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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 levying a severance tax on oil; and providing  
7 for an effective date."

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

9 \* Section 1. PURPOSE. It is the purpose of this Act to provide a means  
10 by which to pay the expenses incurred in the protection of state land and  
11 water against the release of oil and hazardous substances that cause envi-  
12 ronmental damage or danger.

13 \* Sec. 2. AS 43 is amended by adding a new chapter to read:

14 CHAPTER 59. SEVERANCE TAX ON OIL FOR POLLUTION CONTROL.

15 Sec. 43.59.010. TAX LEVIED. Every producer of oil shall pay a  
16 tax of \$.05 per barrel of oil produced from each lease or property in  
17 the state, less any oil the ownership or right to which is exempt from  
18 taxation.

19 Sec. 43.59.020. ADMINISTRATION OF THE TAX. (a) The tax imposed  
20 by AS 43.59.010 is in addition to and shall be paid in the same manner  
21 as the taxes imposed by AS 43.55.

22 (b) A producer of oil shall make reports of production in the  
23 same manner and under the same penalties as required by AS 43.55.

24 Sec. 43.59.030. DISPOSITION OF TAX PROCEEDS. (a) The commis-  
25 sioner shall deposit the proceeds from the tax into the general fund.

26 (b) The commissioner of administration shall separately account  
27 for all proceeds of the tax deposited into the general fund.

28 (c) The legislature may appropriate the annual estimated balance  
29 of the account established under (b) of this section to the oil and

1 hazardous substance release response fund established by AS 46.08.010.

2 Sec. 43.59.100. DEFINITIONS. In this chapter

3 (1) "barrel of oil" has the meaning given in AS 43.55.140;

4 (2) "lease or property" has the meaning given in AS 43.55.-

5 140;

6 (3) "oil" has the meaning given in AS 43.55.140;

7 (4) "ownership or right to which is exempt from taxation"

8 has the meaning given in AS 43.55.140;

9 (5) "tax" means the cents-per-barrel severance tax levied

10 by AS 43.59.010.

11 \* Sec. 3. This Act takes effect immediately under AS 01.10.070(c).