

HOUSE JOINT RESOLUTION NO. 34
IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVES ELLIS, Brown, Donley

Introduced: 3/27/91

Referred: Judiciary, Finance

A RESOLUTION

1 Relating to the tax deductibility of the Exxon oil spill settlement.

2 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

3 WHEREAS on the night of March 23 - 24, 1989, the T/V Exxon Valdez, owned by Exxon
4 Shipping, went aground on Bligh Reef in Prince William Sound in Alaska; and

5 WHEREAS as a result of the grounding, several of the vessel's cargo tanks ruptured and
6 approximately 11,000,000 gallons of crude oil owned by Exxon Corporation spilled into Prince William
7 Sound; and

8 WHEREAS on March 12, 1991, the United States, Exxon Corporation, Exxon Shipping
9 Company, Exxon Pipeline Company, and Governor Hickel for the State of Alaska entered into a
10 proposed agreement and consent decree to settle the claims between them arising out of the oil spill; and

11 WHEREAS under the agreement Exxon agrees to pay Alaska a specified sum of money as
12 compensatory and remedial damages for the oil spill; and

13 WHEREAS under the present income tax laws of the United States, Exxon will be able to reduce
14 its income tax liability by deducting a portion of the money to be paid under the agreement; and

15 WHEREAS the deduction by Exxon means that the taxpayers of the United States pay that part
16 of the settlement amount that is deducted from Exxon's income taxes, because the United States will not
17 receive that amount in taxes; and

1 **WHEREAS** the taxpayers of the United States should not have to pay for Exxon's negligence,
2 and Exxon should not receive a tax break for compensating the State of Alaska for Exxon's negligence;
3 and

4 **WHEREAS** there is movement in the United States Congress to repeal the income tax laws that
5 allow Exxon to receive the tax break;

6 **BE IT RESOLVED** that the Alaska State Legislature urges the United States Congress to amend
7 the income tax laws of the United States so that Exxon may not reduce its income tax liability by
8 deducting any of the money that Exxon pays to the State of Alaska as settlement for the Exxon oil spill.

9 **COPIES** of this resolution shall be sent to the Honorable Dan Quayle, Vice-President of the
10 United States and President of the U.S. Senate; the Honorable Thomas S. Foley, Speaker of the U.S.
11 House of Representatives; and to the Honorable Ted Stevens and the Honorable Frank Murkowski, U.S.
12 Senators, and the Honorable Don Young, U.S. Representative, members of the Alaska delegation in
13 Congress.