

**CS FOR HOUSE JOINT RESOLUTION NO. 34 (JUDICIARY)**

**IN THE LEGISLATURE OF THE STATE OF ALASKA**

**SEVENTEENTH LEGISLATURE - FIRST SESSION**

**BY THE HOUSE JUDICIARY COMMITTEE**

**Offered: 4/10/91**

**Referred: Finance**

**Sponsor(s): REPRESENTATIVES ELLIS, Brown, Donley**

**A RESOLUTION**

**1 Relating to the tax deductibility by Exxon and other major polluters of cleanup expenses,  
2 civil claims settlement costs, and civil judgment payments.**

**3 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

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

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

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

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

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

**16 WHEREAS the deduction by Exxon means that the taxpayers of the United States pay that part**

1 of the settlement amount that is deducted from Exxon's income taxes, because the United States will not  
2 receive that amount in taxes; and

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

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

8       **BE IT RESOLVED** that the Alaska State Legislature urges the United States Congress to amend  
9 the income tax laws of the United States so that Exxon may not reduce its income tax liability by  
10 deducting any of the money that Exxon pays to the State of Alaska and the United States government  
11 as settlement for the Exxon oil spill; and be it

12       **FURTHER RESOLVED** that the Alaska State Legislature urges the United States Congress to  
13 amend the income tax laws of the United States so that major polluters may not reduce their income tax  
14 liability by deducting the cleanup expenses, civil claims settlement costs, and civil judgment payments  
15 that result from their pollution.

16       **COPIES** of this resolution shall be sent to the Honorable Dan Quayle, Vice-President of the  
17 United States and President of the U.S. Senate; the Honorable Thomas S. Foley, Speaker of the U.S.  
18 House of Representatives; the Honorable Lloyd Bentsen, Chair of the Senate Committee on Finance; the  
19 Honorable Dan Rostenkowski, Chair of the House Ways and Means Committee; and to the Honorable  
20 Ted Stevens and the Honorable Frank Murkowski, U.S. Senators, and the Honorable Don Young, U.S.  
21 Representative, members of the Alaska delegation in Congress.