

CS FOR HOUSE JOINT RESOLUTION NO. 34 (JUDICIARY) am (failed H)

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - FIRST SESSION

BY THE HOUSE JUDICIARY COMMITTEE

Amended: 5/8/91

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 pending litigation between the state, federal government, and Exxon is likely to
10 result in a settlement of judgement against Exxon; and**

**11 WHEREAS under the present income tax laws of the United States, Exxon will be able to reduce
12 its income tax liability by deducting a portion of the money to be paid as a result of litigation; and**

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

16 WHEREAS the taxpayers of the United States should not have to pay for Exxon's negligence,

1 and Exxon should not receive a tax break for compensating the State of Alaska for Exxon's negligence;
2 and

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

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

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

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