

STATE OF ALASKA

DEPARTMENT OF REVENUE

JAY S. HAMMOND, GOVERNOR

POUCH S A - JUNEAU 99811

April 25, 1975

The Honorable Pat Rodey
Chairman
Senate Community and Regional
Affairs Committee
Alaska State Legislature
Juneau, AK 99811

Dear Senator Rodey:

re Senate Bill No. 298

Senate Bill No. 298, an Act relating to sharing of state revenues with municipalities was introduced in the Senate on March 21, 1975 and was referred to the Senate Community & Regional Affairs and Finance Committees.

While the Department of Community and Regional Affairs is charged with the administration of the provisions of the bill, committee review by the legislature may call for estimates of the "state oil and gas revenues" as defined in Sec. 43.17.090 (3) of the proposed legislation.

For the consideration of the Senate Community & Regional Affairs Committee, I am enclosing a copy of a memorandum dated April 22, 1975 from Gary L. Jenkins, Director, Audit Division, Department of Revenue to Frederick P. Boetsch, Deputy Commissioner, Department of Revenue indicating estimated oil and gas production tax and estimated oil and gas royalty revenues for the fiscal years 1976 through 1980 and the amounts estimated to be shared computed at 25% of the total revenues.

If you or any members of the Senate Community & Regional Affairs Committee have any questions on the material submitted, please telephone the writer at 465-2397 and I will contact Mr. Jenkins for further material or testimony.

Very truly yours,

R. D. Stevenson
Special Assistant

RDS:sp

Enclosures

cc The Honorable Bill Ray
Chairman
Senate Finance Committee

Gary L. Jenkins, Director
Audit Division

MEMORANDUM

State of Alaska

TO: Frederick P. Boutsch
Deputy Commissioner of Taxation
Department of Revenue

DATE: April 22, 1975

FILE NO:

TELEPHONE NO:

FROM: Gary L. Jenkins
Director
Audit Division

SUBJECT: Senate Bill No. 298

Senate Bill 298 provides for additional sharing of revenues with municipalities. Specifically, 25 percent of all oil and gas revenues would be shared under this bill. We have broken this out into the oil and gas severance tax revenues, as well as the royalty revenues and what the 25 percent would amount to for the years 1974 through 1980. This bill also provides for the distribution of any other revenues received by the State for oil and gas products to include lease hold, which, of course, are impossible to predict. A further reading of the definition would appear to be so broad that it would also include the property taxes on oil and gas production equipment, which I feel Mr. Heier would be far more effective in providing a forecast.

If there are any questions regarding the attached figures, I will be glad to answer them.

GLJ/bjm

Attachment

cc: R. D. Stevenson

SENATE BILL 298
 An Act Relating to Sharing State Revenues
 with Municipalities

	<u>Gross Projected Oil and Gas Tax Revenue</u>	<u>Amount to be Shared 25%</u>	<u>Gross Projected Royalties</u>	<u>Amount to be Shared 25%</u>
1974	\$ 14,759,700	\$ 3,689,925	\$ 28,736,000	\$ 7,184,000
1975	29,118,000	7,279,500	40,891,500	10,222,875
1976	29,116,000	7,279,000	42,089,500	10,522,375
1977	29,231,000	7,307,750	45,475,500	11,368,875
1978	179,975,000	44,993,750	233,644,500	18,411,125
1979	394,844,000	98,711,000	495,645,500	123,911,375
1980	<u>476,303,000</u>	<u>119,075,750</u>	<u>608,591,500</u>	<u>152,147,875</u>
	<u>\$1,153,346,700</u>	<u>\$288,336,675</u>	<u>\$1,495,074,000</u>	<u>\$373,768,500</u>

STATE OF ALASKA

DEPARTMENT OF REVENUE

JAY S. HAMMOND, GOVERNOR

POUCH S A - JUNEAU 99811

April 25, 1975

The Honorable Pat Rodey
Chairman
Senate Community and Regional
Affairs Committee
Alaska State Legislature
Juneau, AK 99811

Dear Senator Rodey:

re Senate Bill No. 298

Senate Bill No. 298, an Act relating to sharing of state revenues with municipalities was introduced in the Senate on March 21, 1975 and was referred to the Senate Community & Regional Affairs and Finance Committees.

While the Department of Community and Regional Affairs is charged with the administration of the provisions of the bill, committee review by the legislature may call for estimates of the "state oil and gas revenues" as defined in Sec. 43.17.090 (3) of the proposed legislation.

For the consideration of the Senate Community & Regional Affairs Committee, I am enclosing a copy of a memorandum dated April 22, 1975 from Gary L. Jenkins, Director, Audit Division, Department of Revenue to Frederick P. Boetsch, Deputy Commissioner, Department of Revenue indicating estimated oil and gas production tax and estimated oil and gas royalty revenues for the fiscal years 1976 through 1980 and the amounts estimated to be shared computed at 25% of the total revenues.

If you or any members of the Senate Community & Regional Affairs Committee have any questions on the material submitted, please telephone the writer at 465-2397 and I will contact Mr. Jenkins for further material or testimony.

Very truly yours,

R. D. Stevenson
Special Assistant

RDS:sp

Enclosures

cc The Honorable Bill Ray
Chairman
Senate Finance Committee

Gary L. Jenkins, Director
Audit Division

MEMORANDUM

State of Alaska

TO: Frederick P. Boetsch
Deputy Commissioner of Taxation
Department of Revenue

DATE: April 22, 1975

FILE NO:

TELEPHONE NO:

FROM: Gary L. Jenkins
Director
Audit Division

SUBJECT: Senate Bill No. 298

Senate Bill 298 provides for additional sharing of revenues with municipalities. Specifically, 25 percent of all oil and gas revenues would be shared under this bill. We have broken this out into the oil and gas severance tax revenues, as well as the royalty revenues and what the 25 percent would amount to for the years 1974 through 1980. This bill also provides for the distribution of any other revenues received by the State for oil and gas products to include lease hold, which, of course, are impossible to predict. A further reading of the definition would appear to be so broad that it would also include the property taxes on oil and gas production equipment, which I feel Mr. Heier would be far more effective in providing a forecast.

If there are any questions regarding the attached figures, I will be glad to answer them.

GLJ/bjm

Attachment

cc: R. D. Stevenson

SENATE BILL 298
 An Act Relating to Sharing State Revenues
 with Municipalities

	<u>Gross Projected Oil and Gas Tax Revenue</u>	<u>Amount to be Shared 25%</u>	<u>Gross Projected Royalties</u>	<u>Amount to be Shared 25%</u>
1974	\$ 14,759,700	\$ 3,689,925	\$ 28,736,000	\$ 7,184,000
1975	29,118,000	7,279,500	40,891,500	10,222,875
1976	29,116,000	7,279,000	42,089,500	10,522,375
1977	29,231,000	7,307,750	45,475,500	11,368,875
1978	179,975,000	44,993,750	233,644,500	18,411,125
1979	394,844,000	98,711,000	495,645,500	123,911,375
1980	<u>476,303,000</u>	<u>119,075,750</u>	<u>608,591,500</u>	<u>152,147,875</u>
	<u>\$1,153,346,700</u>	<u>\$288,336,675</u>	<u>\$1,495,074,000</u>	<u>\$373,768,500</u>

STATE OF ALASKA

DEPARTMENT OF REVENUE

JAY S. HAMMOND, GOVERNOR

POUCH S A - JUNEAU 99811

April 25, 1975

The Honorable Pat Rodey
Chairman
Senate Community and Regional
Affairs Committee
Alaska State Legislature
Juneau, AK 99811

Dear Senator Rodey:

re Senate Bill No. 298

Senate Bill No. 298, an Act relating to sharing of state revenues with municipalities was introduced in the Senate on March 21, 1975 and was referred to the Senate Community & Regional Affairs and Finance Committees.

While the Department of Community and Regional Affairs is charged with the administration of the provisions of the bill, committee review by the legislature may call for estimates of the "state oil and gas revenues" as defined in Sec. 43.17.090 (3) of the proposed legislation.

For the consideration of the Senate Community & Regional Affairs Committee, I am enclosing a copy of a memorandum dated April 22, 1975 from Gary L. Jenkins, Director, Audit Division, Department of Revenue to Frederick P. Boetsch, Deputy Commissioner, Department of Revenue indicating estimated oil and gas production tax and estimated oil and gas royalty revenues for the fiscal years 1976 through 1980 and the amounts estimated to be shared computed at 25% of the total revenues.

If you or any members of the Senate Community & Regional Affairs Committee have any questions on the material submitted, please telephone the writer at 465-2397 and I will contact Mr. Jenkins for further material or testimony.

Very truly yours,

R. D. Stevenson
Special Assistant

RDS:sp

Enclosures

cc The Honorable Bill Ray
Chairman
Senate Finance Committee

Gary L. Jenkins, Director
Audit Division

MEMORANDUM

State of Alaska

TO: Frederick P. Boetsch
Deputy Commissioner of Taxation
Department of Revenue

DATE: April 22, 1975

FILE NO:

TELEPHONE NO:

FROM: Gary L. Jenkins
Director
Audit Division

SUBJECT: Senate Bill No. 298

Senate Bill 298 provides for additional sharing of revenues with municipalities. Specifically, 25 percent of all oil and gas revenues would be shared under this bill. We have broken this out into the oil and gas severance tax revenues, as well as the royalty revenues and what the 25 percent would amount to for the years 1974 through 1980. This bill also provides for the distribution of any other revenues received by the State for oil and gas products to include lease hold, which, of course, are impossible to predict. A further reading of the definition would appear to be so broad that it would also include the property taxes on oil and gas production equipment, which I feel Mr. Heier would be far more effective in providing a forecast.

If there are any questions regarding the attached figures, I will be glad to answer them.

GLJ/bjm

Attachment

cc: R. D. Stevenson

SENATE BILL 298
 An Act Relating to Sharing State Revenues
 with Municipalities

	<u>Gross Projected Oil and Gas Tax Revenue</u>	<u>Amount to be Shared 25%</u>	<u>Gross Projected Royalties</u>	<u>Amount to be Shared 25%</u>
1974	\$ 14,759,700	\$ 3,689,925	\$ 28,736,000	\$ 7,184,000
1975	29,118,000	7,279,500	40,891,500	10,222,875
1976	29,116,000	7,279,000	42,089,500	10,522,375
1977	29,231,000	7,307,750	45,475,500	11,368,875
1978	179,975,000	44,993,750	233,644,500	18,411,125
1979	394,844,000	98,711,000	495,645,500	123,911,375
1980	<u>476,303,000</u>	<u>119,075,750</u>	<u>608,591,500</u>	<u>152,147,875</u>
	<u>\$1,153,346,700</u>	<u>\$288,336,675</u>	<u>\$1,495,074,000</u>	<u>\$373,768,500</u>

STATE OF ALASKA

DEPARTMENT OF REVENUE

JAY S. HAMMOND, GOVERNOR

POUCH S A - JUNEAU 99811

April 25, 1975

The Honorable Pat Rodey
Chairman
Senate Community and Regional
Affairs Committee
Alaska State Legislature
Juneau, AK 99811

Dear Senator Rodey:

re Senate Bill No. 298

Senate Bill No. 298, an Act relating to sharing of state revenues with municipalities was introduced in the Senate on March 21, 1975 and was referred to the Senate Community & Regional Affairs and Finance Committees.

While the Department of Community and Regional Affairs is charged with the administration of the provisions of the bill, committee review by the legislature may call for estimates of the "state oil and gas revenues" as defined in Sec. 43.17.090 (3) of the proposed legislation.

For the consideration of the Senate Community & Regional Affairs Committee, I am enclosing a copy of a memorandum dated April 22, 1975 from Gary L. Jenkins, Director, Audit Division, Department of Revenue to Frederick P. Boetsch, Deputy Commissioner, Department of Revenue indicating estimated oil and gas production tax and estimated oil and gas royalty revenues for the fiscal years 1976 through 1980 and the amounts estimated to be shared computed at 25% of the total revenues.

If you or any members of the Senate Community & Regional Affairs Committee have any questions on the material submitted, please telephone the writer at 465-2397 and I will contact Mr. Jenkins for further material or testimony.

Very truly yours,

R. D. Stevenson
Special Assistant

RDS:sp
Enclosures
cc The Honorable Bill Ray
Chairman
Senate Finance Committee

Gary L. Jenkins, Director
Audit Division

MEMORANDUM

State of Alaska

TO: Frederick P. Boetsch
Deputy Commissioner of Taxation
Department of Revenue

DATE: April 22, 1975

FILE NO:

TELEPHONE NO:

FROM: Gary L. Jenkinson
Director
Audit Division

SUBJECT: Senate Bill No. 298

Senate Bill 298 provides for additional sharing of revenues with municipalities. Specifically, 25 percent of all oil and gas revenues would be shared under this bill. We have broken this out into the oil and gas severance tax revenues, as well as the royalty revenues and what the 25 percent would amount to for the years 1974 through 1980. This bill also provides for the distribution of any other revenues received by the State for oil and gas products to include lease hold, which, of course, are impossible to predict. A further reading of the definition would appear to be so broad that it would also include the property taxes on oil and gas production equipment, which I feel Mr. Heier would be far more effective in providing a forecast.

If there are any questions regarding the attached figures, I will be glad to answer them.

GLJ/bjm

Attachment

cc: R. D. Stevenson

SENATE BILL 298
 An Act Relating to Sharing State Revenues
 with Municipalities

	<u>Gross Projected Oil and Gas Tax Revenue</u>	<u>Amount to be Shared 25%</u>	<u>Gross Projected Royalties</u>	<u>Amount to be Shared 25%</u>
1974	\$ 14,759,700	\$ 3,689,925	\$ 28,736,000	\$ 7,184,000
1975	29,118,000	7,279,500	40,891,500	10,222,875
1976	29,116,000	7,279,000	42,089,500	10,522,375
1977	29,231,000	7,307,750	45,475,500	11,368,875
1978	179,975,000	44,993,750	233,644,500	18,411,125
1979	394,844,000	98,711,000	495,645,500	123,911,375
1980	<u>476,303,000</u>	<u>119,075,750</u>	<u>608,591,500</u>	<u>152,147,875</u>
	<u>\$1,153,346,700</u>	<u>\$288,336,675</u>	<u>\$1,495,074,000</u>	<u>\$373,768,500</u>

STATE OF ALASKA

DEPARTMENT OF REVENUE

JAY S. HAMMOND, GOVERNOR

POUCH 5 A - JUNEAU 99811

April 25, 1975

The Honorable Pat Rodey
Chairman
Senate Community and Regional
Affairs Committee
Alaska State Legislature
Juneau, AK 99811

Dear Senator Rodey:

re Senate Bill No. 298

Senate Bill No. 298, an Act relating to sharing of state revenues with municipalities was introduced in the Senate on March 21, 1975 and was referred to the Senate Community & Regional Affairs and Finance Committees.

While the Department of Community and Regional Affairs is charged with the administration of the provisions of the bill, committee review by the legislature may call for estimates of the "state oil and gas revenues" as defined in Sec. 43.17.090 (3) of the proposed legislation.

For the consideration of the Senate Community & Regional Affairs Committee, I am enclosing a copy of a memorandum dated April 22, 1975 from Gary L. Jenkins, Director, Audit Division, Department of Revenue to Frederick P. Boetsch, Deputy Commissioner, Department of Revenue indicating estimated oil and gas production tax and estimated oil and gas royalty revenues for the fiscal years 1976 through 1980 and the amounts estimated to be shared computed at 25% of the total revenues.

If you or any members of the Senate Community & Regional Affairs Committee have any questions on the material submitted, please telephone the writer at 465-2397 and I will contact Mr. Jenkins for further material or testimony.

Very truly yours,

R. D. Stevenson
Special Assistant

RDS:sp

Enclosures

cc The Honorable Bill Ray
Chairman
Senate Finance Committee

Gary L. Jenkins, Director
Audit Division

MEMORANDUM

State of Alaska

TO: Frederick P. Boetsch
Deputy Commissioner of Taxation
Department of Revenue

DATE: April 22, 1975

FILE NO:

TELEPHONE NO:

FROM: Gary L. Jenkins
Director
Audit Division

SUBJECT: Senate Bill No. 298

Senate Bill 298 provides for additional sharing of revenues with municipalities. Specifically, 25 percent of all oil and gas revenues would be shared under this bill. We have broken this out into the oil and gas severance tax revenues, as well as the royalty revenues and what the 25 percent would amount to for the years 1974 through 1980. This bill also provides for the distribution of any other revenues received by the State for oil and gas products to include lease hold, which, of course, are impossible to predict. A further reading of the definition would appear to be so broad that it would also include the property taxes on oil and gas production equipment, which I feel Mr. Heier would be far more effective in providing a forecast.

If there are any questions regarding the attached figures, I will be glad to answer them.

GLJ/bjm

Attachment

cc: R. D. Stevenson

SENATE BILL 298
 An Act Relating to Sharing State Revenues
 with Municipalities

	<u>Gross Projected Oil and Gas Tax Revenue</u>	<u>Amount to be Shared 25%</u>	<u>Gross Projected Royalties</u>	<u>Amount to be Shared 25%</u>
1974	\$ 14,759,700	\$ 3,689,925	\$ 28,736,000	\$ 7,184,000
1975	29,118,000	7,279,500	40,891,500	10,222,875
1976	29,116,000	7,279,000	42,089,500	10,522,375
1977	29,231,000	7,307,750	45,475,500	11,368,875
1978	179,975,000	44,993,750	233,644,500	18,411,125
1979	394,844,000	98,711,000	495,645,500	123,911,375
1980	<u>476,303,000</u>	<u>119,075,750</u>	<u>608,591,500</u>	<u>152,147,875</u>
	<u>\$1,153,346,700</u>	<u>\$288,336,675</u>	<u>\$1,495,074,000</u>	<u>\$373,768,500</u>

STATE OF ALASKA

DEPARTMENT OF REVENUE

JAY S. HAMMOND, GOVERNOR

POUCH S A - JUNEAU 99811

April 25, 1975

The Honorable Pat Rodey
Chairman
Senate Community and Regional
Affairs Committee
Alaska State Legislature
Juneau, AK 99811

Dear Senator Rodey:

re Senate Bill No. 298

Senate Bill No. 298, an Act relating to sharing of state revenues with municipalities was introduced in the Senate on March 21, 1975 and was referred to the Senate Community & Regional Affairs and Finance Committees.

While the Department of Community and Regional Affairs is charged with the administration of the provisions of the bill, committee review by the legislature may call for estimates of the "state oil and gas revenues" as defined in Sec. 43.17.090 (3) of the proposed legislation.

For the consideration of the Senate Community & Regional Affairs Committee, I am enclosing a copy of a memorandum dated April 22, 1975 from Gary L. Jenkins, Director, Audit Division, Department of Revenue to Frederick P. Boetsch, Deputy Commissioner, Department of Revenue indicating estimated oil and gas production tax and estimated oil and gas royalty revenues for the fiscal years 1976 through 1980 and the amounts estimated to be shared computed at 25% of the total revenues.

If you or any members of the Senate Community & Regional Affairs Committee have any questions on the material submitted, please telephone the writer at 465-2397 and I will contact Mr. Jenkins for further material or testimony.

Very truly yours,

R. D. Stevenson
Special Assistant

RDS:sp

Enclosures

cc The Honorable Bill Ray
Chairman
Senate Finance Committee

Gary L. Jenkins, Director
Audit Division

MEMORANDUM

State of Alaska

TO: Frederick P. Boetsch
Deputy Commissioner of Taxation
Department of Revenue

DATE: April 22, 1975

FILE NO:

TELEPHONE NO:

FROM: Gary L. Jenkins
Director
Audit Division

SUBJECT: Senate Bill No. 298

Senate Bill 298 provides for additional sharing of revenues with municipalities. Specifically, 25 percent of all oil and gas revenues would be shared under this bill. We have broken this out into the oil and gas severance tax revenues, as well as the royalty revenues and what the 25 percent would amount to for the years 1974 through 1980. This bill also provides for the distribution of any other revenues received by the State for oil and gas products to include lease hold, which, of course, are impossible to predict. A further reading of the definition would appear to be so broad that it would also include the property taxes on oil and gas production equipment, which I feel Mr. Heier would be far more effective in providing a forecast.

If there are any questions regarding the attached figures, I will be glad to answer them.

GLJ/bjm

Attachment

cc: R. D. Stevenson

SENATE BILL 298
 An Act Relating to Sharing State Revenues
 with Municipalities

	<u>Gross Projected Oil and Gas Tax Revenue</u>	<u>Amount to be Shared 25%</u>	<u>Gross Projected Royalties</u>	<u>Amount to be Shared 25%</u>
1974	\$ 14,759,700	\$ 3,689,925	\$ 28,736,000	\$ 7,184,000
1975	29,118,000	7,279,500	40,891,500	10,222,875
1976	29,116,000	7,279,000	42,089,500	10,522,375
1977	29,231,000	7,307,750	45,475,500	11,368,875
1978	179,975,000	44,993,750	233,644,500	18,411,125
1979	394,844,000	98,711,000	495,645,500	123,911,375
1980	<u>476,303,000</u>	<u>119,075,750</u>	<u>608,591,500</u>	<u>152,147,875</u>
	<u>\$1,153,346,700</u>	<u>\$288,336,675</u>	<u>\$1,495,074,000</u>	<u>\$373,768,500</u>

STATE OF ALASKA

DEPARTMENT OF REVENUE

JAY S. HAMMOND, GOVERNOR

POUCH SA - JUNEAU 99811

April 25, 1975

The Honorable Pat Rodey
Chairman
Senate Community and Regional
Affairs Committee
Alaska State Legislature
Juneau, AK 99811

Dear Senator Rodey:

re Senate Bill No. 298

Senate Bill No. 298, an Act relating to sharing of state revenues with municipalities was introduced in the Senate on March 21, 1975 and was referred to the Senate Community & Regional Affairs and Finance Committees.

While the Department of Community and Regional Affairs is charged with the administration of the provisions of the bill, committee review by the legislature may call for estimates of the "state oil and gas revenues" as defined in Sec. 43.17.090 (3) of the proposed legislation.

For the consideration of the Senate Community & Regional Affairs Committee, I am enclosing a copy of a memorandum dated April 22, 1975 from Gary L. Jenkins, Director, Audit Division, Department of Revenue to Frederick P. Boetsch, Deputy Commissioner, Department of Revenue indicating estimated oil and gas production tax and estimated oil and gas royalty revenues for the fiscal years 1976 through 1980 and the amounts estimated to be shared computed at 25% of the total revenues.

If you or any members of the Senate Community & Regional Affairs Committee have any questions on the material submitted, please telephone the writer at 465-2397 and I will contact Mr. Jenkins for further material or testimony.

Very truly yours,

R. D. Stevenson
Special Assistant

RDS:sp
Enclosures
cc The Honorable Bill Ray
Chairman
Senate Finance Committee

Gary L. Jenkins, Director
Audit Division

MEMORANDUM

State of Alaska

TO: Frederick P. Boetsch
Deputy Commissioner of Taxation
Department of Revenue

DATE: April 22, 1975

FILE NO:

TELEPHONE NO:

FROM: Gary L. Jenkins
Director
Audit Division

SUBJECT: Senate Bill No. 298

Senate Bill 298 provides for additional sharing of revenues with municipalities. Specifically, 25 percent of all oil and gas revenues would be shared under this bill. We have broken this out into the oil and gas severance tax revenues, as well as the royalty revenues and what the 25 percent would amount to for the years 1974 through 1980. This bill also provides for the distribution of any other revenues received by the State for oil and gas products to include lease hold, which, of course, are impossible to predict. A further reading of the definition would appear to be so broad that it would also include the property taxes on oil and gas production equipment, which I feel Mr. Heier would be far more effective in providing a forecast.

If there are any questions regarding the attached figures, I will be glad to answer them.

GLJ/bjm

Attachment

cc: R. D. Stevenson

SENATE BILL 298
 An Act Relating to Sharing State Revenues
 with Municipalities

	<u>Gross Projected Oil and Gas Tax Revenue</u>	<u>Amount to be Shared 25%</u>	<u>Gross Projected Royalties</u>	<u>Amount to be Shared 25%</u>
1974	\$ 14,759,700	\$ 3,689,925	\$ 28,736,000	\$ 7,184,000
1975	29,118,000	7,279,500	40,891,500	10,222,875
1976	29,116,000	7,279,000	42,089,500	10,522,375
1977	29,231,000	7,307,750	45,475,500	11,368,875
1978	179,975,000	44,993,750	233,644,500	18,411,125
1979	394,844,000	98,711,000	495,645,500	123,911,375
1980	<u>476,303,000</u>	<u>119,075,750</u>	<u>608,591,500</u>	<u>152,147,875</u>
	<u>\$1,153,346,700</u>	<u>\$288,336,675</u>	<u>\$1,495,074,000</u>	<u>\$373,768,500</u>

STATE OF ALASKA

DEPARTMENT OF REVENUE

JAY S. HAMMOND, GOVERNOR

POUCH S A - JUNEAU 99811

April 25, 1975

The Honorable Pat Rodey
Chairman
Senate Community and Regional
Affairs Committee
Alaska State Legislature
Juneau, AK 99811

Dear Senator Rodey:

re Senate Bill No. 298

Senate Bill No. 298, an Act relating to sharing of state revenues with municipalities was introduced in the Senate on March 21, 1975 and was referred to the Senate Community & Regional Affairs and Finance Committees.

While the Department of Community and Regional Affairs is charged with the administration of the provisions of the bill, committee review by the legislature may call for estimates of the "state oil and gas revenues" as defined in Sec. 43.17.090 (3) of the proposed legislation.

For the consideration of the Senate Community & Regional Affairs Committee, I am enclosing a copy of a memorandum dated April 22, 1975 from Gary L. Jenkins, Director, Audit Division, Department of Revenue to Frederick P. Boetsch, Deputy Commissioner, Department of Revenue indicating estimated oil and gas production tax and estimated oil and gas royalty revenues for the fiscal years 1976 through 1980 and the amounts estimated to be shared computed at 25% of the total revenues.

If you or any members of the Senate Community & Regional Affairs Committee have any questions on the material submitted, please telephone the writer at 465-2397 and I will contact Mr. Jenkins for further material or testimony.

Very truly yours,

R. D. Stevenson
Special Assistant

RDS:sp

Enclosures

cc The Honorable Bill Ray
Chairman
Senate Finance Committee

Gary L. Jenkins, Director
Audit Division

MEMORANDUM

State of Alaska

TO: Frederick P. Boetsch
Deputy Commissioner of Taxation
Department of Revenue

DATE: April 22, 1975

FILE NO:

TELEPHONE NO:

FROM: Gary L. Jenkins
Director
Audit Division

SUBJECT: Senate Bill No. 298

Senate Bill 298 provides for additional sharing of revenues with municipalities. Specifically, 25 percent of all oil and gas revenues would be shared under this bill. We have broken this out into the oil and gas severance tax revenues, as well as the royalty revenues and what the 25 percent would amount to for the years 1974 through 1980. This bill also provides for the distribution of any other revenues received by the State for oil and gas products to include lease hold, which, of course, are impossible to predict. A further reading of the definition would appear to be so broad that it would also include the property taxes on oil and gas production equipment, which I feel Mr. Heier would be far more effective in providing a forecast.

If there are any questions regarding the attached figures, I will be glad to answer them.

GLJ/bjm

Attachment

cc: R. D. Stevenson

SENATE BILL 298
 An Act Relating to Sharing State Revenues
 with Municipalities

	<u>Gross Projected Oil and Gas Tax Revenue</u>	<u>Amount to be Shared 25%</u>	<u>Gross Projected Royalties</u>	<u>Amount to be Shared 25%</u>
1974	\$ 14,759,700	\$ 3,689,925	\$ 28,736,000	\$ 7,184,000
1975	29,118,000	7,279,500	40,891,500	10,222,875
1976	29,116,000	7,279,000	42,089,500	10,522,375
1977	29,231,000	7,307,750	45,475,500	11,368,875
1978	179,975,000	44,993,750	233,644,500	18,411,125
1979	394,844,000	98,711,000	495,645,500	123,911,375
1980	<u>476,303,000</u>	<u>119,075,750</u>	<u>608,591,500</u>	<u>152,147,875</u>
	<u>\$1,153,346,700</u>	<u>\$288,336,675</u>	<u>\$1,495,074,000</u>	<u>\$373,768,500</u>