

# STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

## DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

POUCH S - JUNEAU 99811

May 3, 1976

The Honorable Kathryn Poland  
Chairman  
Senate Resources Committee  
Alaska State Legislature  
State Capitol Building  
Juneau, Alaska

Re: Senate Bill No. 709

Dear Senator Poland:

Senate Bill No. 709, an Act relating to state taxation was introduced in the Senate on March 7, 1976 and was referred to the Senate Resources and Finance Committees.

For the consideration of the Senate Resources Committee, I am enclosing a copy of a Fiscal Note prepared by Thomas K. Williams, Director, Petroleum Revenue Division, Department of Revenue, Anchorage, Alaska advising of no additional administrative costs and furnishing an estimate of additional revenues to be obtained.

If you or any members of the Senate Resources Committee have any questions on the material submitted, please telephone the writer and I will contact Mr. Williams in Anchorage for additional information.

Very truly yours,

R. D. Stevenson  
Special Assistant

cc: The Honorable Bill Ray  
Chairman  
Senate Finance Committee

The Honorable John Huber  
Chairman  
Senate State Affairs Committee



"1776-A TRIBUTE FROM OUR STATE TO OUR NATION-1976"



THE LEGISLATURE OF THE STATE OF ALASKA  
FISCAL NOTE  
 Second Session - Ninth Legislature

I. REQUEST

Bill No. SB 709  
 Title: Act relating to state taxation  
 Requested by: \_\_\_\_\_ Date: \_\_\_\_\_  
 Return Date Requested: \_\_\_\_\_  
 Agency: Revenue Program: Petroleum Revenue Division

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Petroleum Revenue

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>	None	None	None	None	None	None

B. FUNDING: (Thousands of dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	/	/	/	/	/	/
MAN MONTHS (P./T.)	/	/	/	/	/	/

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

The Bill would tax gas at 1/48th of a cent per Mcf of gas removed or sold. Gas production volume is already closely monitored for the gas production tax (AS 43.55). Present staff could probably perform the additional work required to administer this Bill. Receipts under the tax are estimated to be about \$26,000 annually until Prudhoe Bay gas sales begin in the early or mid 1980s; then about \$180,000 annually.

IV. ATTACHMENTS

V. DATE: April 30, 1976 PREPARED BY: Thomas K. Williams, Director  
 Petroleum Revenue Division

Original: Legislative Finance  
 : Budget and Management  
 : Prime Sponsor (First Legislator Named)

Introduced: 3/17/76  
Referred: Resources and  
Finance

1 IN THE SENATE

BY THE STATE AFFAIRS COMMITTEE

2 SENATE BILL NO. 709

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to state taxation; and providing for  
7 an effective date."

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

9 \* Section 1. AS 43.57.010(a) is amended to read:

10 (a) There is levied upon the producer of oil a tax of one-eighth  
11 of one cent on each barrel of oil and 1/48th of one cent on each MCF  
12 of gas removed or sold from each lease or property in the state, less  
13 any part the ownership or right to which is exempt from taxation.

14 \* Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-  
15 070(c).

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