

HJR

66

(SEE H/B
6/8)

STATE OF ALASKA

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

JAY S. HAMMOND, GOVERNOR

POUCH 5
JUNEAU, ALASKA 99811

February 3, 1982

The Honorable Ramona L. Barnes
Chairwoman
House Judiciary Committee
Room 122 - Capitol Building
Juneau, AK 99811

Dear Ms. Barnes:

RE: Sponsor Substitute for House Joint
Resolution #66

Sponsor Substitute for House Joint Resolution #66, proposing amendments to the Constitution of the State of Alaska relating to dedication of proceeds of a severance tax on oil or gas production, was introduced in the House on January 27, 1982 and was referred to the House Judiciary Committee.

For the consideration of the House Judiciary Committee, I am enclosing a copy of a Fiscal Note prepared by Mr. John Larson, Economist, Research Section of the Department of Revenue concerning the proposed legislation.

Sincerely,



R. D. Stevenson
Special Assistant

Enclosure

cc: Joseph K. Donohue
Deputy Commissioner
Department of Revenue

Vincent Wright, Chief
Research Section
Department of Revenue

FISCAL NOTE

I. REQUEST

Bill/Resolution No. House Joint Resolution No. 66

Title Proposing Constitutional Amendment-Dedication of Oil & Gas Sever-

Requested by House Judiciary Committee Date 2/1/82 ance Tax
Revenues

II. FISCAL DETAIL

Agency Affected _____

Program Category Affected _____

BRU, Program, Or Subprogram(s) Affected _____

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING (Thousands of Dollars)
Millions

	(327.2)	(336.3)	(404.0)	(471.5)	(538.1)	(610.2)
GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

The above projections are shown as a reduction in general fund revenues as the amounts indicated would be dedicated to organized boroughs and cities in the State for municipal purposes.

The projections indicate the amount of oil and gas severance tax which would be collected during the FY 82 to FY 87 period in excess of 12% of gross value at the point of production. During the period only oil production from the Sadlerochit reservoir at Prudhoe Bay would be taxed at an effective rate significantly in excess of 12% of gross value at the point of production.

IV. DATE Feb. 1, 1982

PREPARED BY John Larson

AGEN Department of Revenue, Research Section

Original: Legislative Finance

PHONE 465-2174

cc: Budget and Management

Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/81)