

**HOUSE
COMMITTEE REPORT**

(11)
Date referred: 4/3/86

FURTHER REFERRALS:

DATE: _____

The FINANCE Committee has considered HJR 66

Relating to a federal tax on imported oil.

and recommends:

- do pass
- do not pass
- do pass with attached amendment(s)
- no recommendation
- replace with _____ same title
 new title

and recommends _____

further referral to the _____ Committee

- and attaches:
- letter of intent
 - first fiscal note
 - new fiscal note
 - zero fiscal note

SIGNING DO PASS:

SIGNING OTHER RECOMMENDATIONS:

Chairman

HOUSE
COMMITTEE REPORT

4/3

(7)

Date referred: 2/17/86

FURTHER REFERRALS: FINANCE

DATE: 4/2/86

HOUSE SPECIAL COMMITTEE
The ON OIL AND GAS

Committee has considered HJR 66

Relating to a federal tax on imported oil.

and recommends:

- do pass
- do not pass
- do pass with attached amendment(s)
- no recommendation
- replace with CS HJR 66 (orig) same title
- individual new title

and recommends _____

further referral to the _____ Committee

and attaches:

- letter of intent
- first fiscal note Sup 107
- new fiscal note
- zero fiscal note

SIGNING DO PASS:

Matequalberi

Jim Gt

SIGNING OTHER RECOMMENDATIONS:

AUM DO NOT PASS

PROTECTIONISM NEVER WORKS --

ONLY HURTS CONSUMERS.

Mike Deans

Pat Fancher no rec

Mike Deans

Chairman

Offered: 4/3/86 (Print) & note Sup 107
Referred: Finance

Lauferbody

Original sponsors: Pignalberi, Gruenberg
and Rieger

1 IN THE HOUSE

BY THE HOUSE SPECIAL COMMITTEE
ON OIL AND GAS

2 CS FOR HOUSE JOINT RESOLUTION NO. 66 (Oil and Gas)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 Relating to a federal tax on imported
6 oil and refined products.

7 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

8 WHEREAS rapidly fluctuating oil prices create an unstable environment
9 in Alaska and the United States for business planning and investment and
10 threaten the stability of the domestic petroleum exploration and
11 development industry, the stability of which is vital to the national
12 security; and

13 WHEREAS the continuation of energy conservation measures and further
14 development of alternative energy technologies will be jeopardized by sharp
15 declines in oil prices; and

16 WHEREAS the federal government needs additional revenue to reduce the
17 federal deficit and the threat of another period of high inflation; and

18 WHEREAS Americans face the prospect of significant budget reductions
19 in federal programs that are vital to the health, education, and welfare of
20 many Americans, but the imposition of an oil import tax would moderate the
21 severity of these reductions; and

22 WHEREAS a precipitous decline in oil prices results in major
23 reductions in revenue to oil-producing states, subjecting them to undue
24 hardships in providing the governmental services and infrastructure support
25 needed to continue the production of domestic oil at the same time that
26 these states are being given expanded responsibility as a result of
27 diminishing federal participation through revenue-sharing and similar
28 programs;

29 BE IT RESOLVED that the Alaska State Legislature encourages the United

1 States Congress to impose a federal tax on imported oil and refined prod-
2 ucts, the revenue to be used to reduce the federal deficit.

3 COPIES of this resolution shall be sent to the Honorable Ronald
4 Reagan, President of the United States; the Honorable George Bush, Vice-
5 President of the United States and President of the U.S. Senate; the Honor-
6 able Thomas P. O'Neill, Jr., Speaker of the U.S. House of Representatives;
7 the Honorable Robert Dole, Majority Leader of the U.S. Senate; and to the
8 Honorable Ted Stevens and the Honorable Frank Murkowski, U.S. Senators, and
9 the Honorable Don Young, U.S. Representative, members of the Alaska delega-
10 tion in Congress.

Lauterbach

Introduced: 2/17/86
Referred: House Special Committee on
Oil & Gas and Finance

1 IN THE HOUSE

BY PIGNALBERI AND GRUENBERG

2 HOUSE JOINT RESOLUTION NO. 66

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 Relating to a federal tax on imported
6 oil.

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STATE OF ALASKA 1986 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

cc
4/3 2/25/86

REQUEST Page 1 of 2
Bill/Resolution No: HJR 66
Title: Relating to a Federal tax on
imported oil

FISCAL DETAIL
Agency Affected: Revenue
BRU: _____

Sponsor: Reps. Pignalberi & Gruenberg
Requestor: Rep. Pignalberi
Date of Request: 2/25/86

Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
OPERATING						
PERSONAL SERVICES	-	-	-	-	-	-
TRAVEL	-	-	-	-	-	-
CONTRACTUAL	-	-	-	-	-	-
SUPPLIES	-	-	-	-	-	-
EQUIPMENT	-	-	-	-	-	-
LANDS & STRUCTURES	-	-	-	-	-	-
GRANTS, CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-	-	-	-	-	-
CAPITAL	-	-	-	-	-	-
REVENUE	-	807.8	653.4	634.4	592.8	528.1

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-

POSITIONS:

FULL-TIME	-	-	-	-	-	-
PART-TIME	-	-	-	-	-	-
TEMPORARY	-	-	-	-	-	-

ANALYSIS: Attach a separate page if necessary

See attached.

Prepared By: Charles L. Logsdon
Division: Research
Approved by Commissioner: Mary G. Hurdale
Agency: Department of Revenue

Phone: 276-5364
Date: March 18, 1986
Date: March 18, 1986

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

Current legislation to tax imported oil amounts to an approximate \$5/bbl charge based on current oil prices. This fiscal note assumes that this tax results in a dollar for dollar increase of \$5/bbl in the price of Alaskan oil over what it would have been in the absence of the tax. The revenue impacts are based on March projections of Alaska North Slope production and include only the impact on royalties and severance tax.

The import tax on petroleum and petroleum products would without a doubt help prevent what could be an abrupt and severe dislocation in the Alaskan economy due to the tax base erosion, devaluation of State royalties, and decline in oil industry activity which may result from the recent oil price plunge. However, a clear majority of economists feel such a tax is on balance not a good idea for the nation as a whole. This Department cannot evaluate the short and long term effects on Alaska which may result from political considerations rising out of economic consequences on the national scene.

ALASKA STATE LEGISLATURE

14th Legislature SECOND Session

JOINT
HOUSE RESOLUTION NO. 66
By FIGNALBERI, GRUENBERG

Relating to a federal tax on imported oil.

tax on oil
Introduced in the House .. 2/17..., 19...86

HISTORY IN THE HOUSE

1986		Read first time and referred to Committee on												
Feb	17	OIL & GAS, FINANCE												
		Reported back with recommendation that												
		Read second time and												
		Read third time and												
		<table border="0"> <tr> <td>PASS</td> <td>Effective Date</td> </tr> <tr> <td>Yeas</td> <td>Yeas</td> </tr> <tr> <td>Nays</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused</td> <td>Excused</td> </tr> </table>	PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused		
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		Reported correctly engrossed												
		Signed by Speaker												
		Sent to Senate												
CHIEF CLERK OF THE HOUSE														

HISTORY IN THE SENATE

19		Read first time and referred to Committee on												
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		Signed by President												
		Returned to House												
SECRETARY OF THE SENATE														

HISTORY IN THE HOUSE

19		Received from Senate
		Concurred in Senate amendment thus adopting: VOTE
		Failed to concur in Senate amendment; asked Senate to recede VOTE
		Senate receded from amendment VOTE
		Senate failed to recede from amendment VOTE
		CC appointed by House
		CC appointed by Senate
		CC adopted by House VOTE
		CC adopted by Senate VOTE
		To enrolling Reported correctly enrolled Sent to Governor by Governor
		Filed with Lt. Governor
		Chapter No.

Offered: 4/3/86
Referred: Finance

Original sponsors: Pignalberi, Gruenberg
and Rieger

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Oil & Gas and Finance

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HOUSE JOINT RESOLUTION NO. 66

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IN THE LEGISLATURE OF THE STATE OF ALASKA

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FOURTEENTH LEGISLATURE - SECOND SESSION

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Relating to a federal tax on imported

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