

COMMITTEE REPORT
SENATE

FURTHER:

5/7/86

Date _____

Mr. President

The Committee on FINANCE considered SJR 38
relating to a federal tax on imported oil.

and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for _____
- new title
- same title and recommends _____
- and attached a "LETTER OF INTENT" NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS

Chairman

Chairman recommendation

COMMITTEE REPORT
SENATE

FURTHER:

FINANCE

2/12/86

Date 5-7-86

Mr. President

The Committee on Resources considered SJR 38
relating to a federal tax on imported oil.

and (a ~~majority~~ majority of the committee) (the committee) reports it back with the following recommendations:

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for SJR 38 (Res)
new title
- same title and recommends _____
- and attached a "LETTER OF INTENT" NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

[Signature]
[Signature]
[Signature]

MEMBERS HAVING
OTHER RECOMMENDATIONS

1 That [Signature] No Rec

[Signature]
Chairman
11 No Rec
Chairman recommendation

Offered: 5/8/86
Referred: Finance

Original sponsor: Josephson

1 IN THE SENATE BY THE RESOURCES COMMITTEE
2 CS FOR SENATE JOINT RESOLUTION NO. 38 (Resources)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 Relating to a federal tax on imported
6 oil.

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 develop-
11 ment industry, the stability of which is vital to the national security;
12 and

13 WHEREAS the continuation of energy conservation measures and further
14 development of alternative energy technologies could be jeopardized by
15 sharp 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 reduc-
23 tions in revenue to oil-producing states, subjecting them to undue hard-
24 ships 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 dimin-
27 ishing federal participation through revenue-sharing and similar programs;

28 BE IT RESOLVED that the Alaska State Legislature encourages the United
29 States Congress to impose a federal tax on imported oil, the revenue to be
S

1 used to reduce the federal deficit.

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

Introduced: 2/12/86
Referred: Resources
and Finance

1 IN THE SENATE

BY JOSEPHSON

2 SENATE JOINT RESOLUTION NO. 38

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 Relating to a federal tax on imported
6 oil.

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

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

COMMITTEE COPY

1 State Congress to impose a Federal tax on imported oil, the revenue to be
2 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-
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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.

STATE OF ALASKA 1986 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No: SJR 38
Title: Relating to a Federal Tax on Imported Oil

FISCAL DETAIL

Agency Affected: _____
BRU: _____

Sponsor: Senator Josephson
Requestor: (S) Resources
Date of Request: April 30, 1986

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		807,800	653,422	634,443	592,890	528,121

FUNDING: (Thousands of Dollars)

	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-

POSITIONS:

	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
FULL-TIME	-	-	-	-	-	-
PART-TIME	-	-	-	-	-	-
TEMPORARY	-	-	-	-	-	-

ANALYSIS: Attach a separate page if necessary

See attached sheet.

Prepared By: Charles Logsdon *Charles Logsdon* Phone: 276-5364
Division: Research/Commissioner's Office Date: May 2, 1986

Approved by Commissioner: Mary [Signature] Date: May 2, 1986
Agency: Department of Revenue

Distribution (by Agency preparing fiscal note):

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

Fiscal Note Analysis
SJR 38

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 running out of economic consequences on the national scene.

ALASKA STATE LEGISLATURE

14th... Legislature ... 2nd... Session

SENATE JOINT RESOL. ... NO. ... 38...

By JOSEPHSON

Relating to a federal tax on imported oil.

Introduced in the Senate ... 2/12/86, 19....

HISTORY IN THE SENATE

19 86

Read first time and referred to Committee on

2 12

Resources & Finance

5-8

Reported back with *Resources* recommendation that *replace* *WCS, 3 to pass, 2 no rec* *4-1, 54-78, 6 Finance.* *File*

Read second time and

Read third time and

PASS Effective Date
Yeas Yeas
Nays Nays
Absent Absent
Excused Excused

Reconsideration

PASS Effective Date
Yeas Yeas
Nays Nays
Absent Absent
Excused Excused

Reported correctly engrossed
Signed by President
Sent to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19

Read first time and referred to Committee on

Reported back with recommendation that

Read second time and

Read third time and

PASS Effective Date
Yeas Yeas
Nays Nays
Absent Absent
Excused Excused

Reconsideration

PASS Effective Date
Yeas Yeas
Nays Nays
Absent Absent
Excused Excused

Reported correctly engrossed
Signed by Speaker
Returned to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19

Received from House

To enrolling

Reported correctly enrolled

Sent to Governor

..... by Governor

Filed with Lt. Governor

Chapter No.

STATE OF ALASKA 1986 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No: SJR 38
Title: Relating to a Federal Tax on Imported Oil

Sponsor: Senator Josephson
Requestor: (S) Resources
Date of Request: April 30, 1986

FISCAL DETAIL

Agency Affected: _____
BRU: _____

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	-	-	-	-	-	-
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POSITIONS:

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

ANALYSIS: Attach a separate page if necessary

See attached sheet.

Prepared by: Charles Logsdon *Vincent Wright for* Phone: 276-5364
Division: Research/Commissioner's Office Date: May 2, 1986

Approved by Commissioner: Mary Nordmark *M. Nordmark* Date: May 2, 1986
Agency: Department of Revenue

Distribution (by Agency preparing fiscal note):

- Legislative Finance
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Fiscal Note Analysis
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Offered: 5/8/86
Referred: Finance

Original sponsor: Josephson

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28 BE IT RESOLVED that the Alaska State Legislature encourages the United
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2 COPIES of this resolution shall be sent to the Honorable Ronald
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Introduced: 2/12/86
Referred: Resources
and Finance

1 IN THE SENATE

BY JOSEPHSON

2

SENATE JOINT RESOLUTION NO. 38

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - SECOND SESSION

5

Relating to a federal tax on imported

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