

Leg. Finance - House & Senate Finance Comte Files (1973-74) 8879

IB 9 cont., HB 10, 11, 12, 13 331

1 hydrocarbons regardless of gravity which are produced at the wellhead
2 in liquid form.

3 * Sec. 2. AS 29.53 is amended by adding a new section to read:

4 Sec. 29.53.045. OIL AND GAS PROPERTIES. No municipality may
5 assess, levy or collect an ad valorem tax on the value of intangible
6 drilling and exploration expenses, oil or gas in place, possessory
7 interests in oil or gas leaseholds whether producing or not, or
8 on real and tangible personal property used within the state for an
9 interborough common carrier pipeline system for the transportation
10 of gas or unrefined oil (except gas pipeline systems operating as
11 utilities and regulated by the Alaska Public Utilities Commission).
12 This prohibition does not limit the collectability of any tax levied
13 before the effective date of this section.

14 * Sec. 3. AS 29.53.050 is amended by adding a new subsection to read:

15 (b) No municipality, or combination of municipalities occupying
16 the same geographical area in whole or in part, may levy taxes
17 which will result in tax revenues from all sources exceeding \$2,000
18 a year for each person residing within its boundaries. If two or
19 more municipalities occupying the same geographical area, in whole
20 or in part, attempt to levy a tax, the combined levy of which
21 would result in tax revenues from all sources exceeding \$2,000 a
22 year for each person residing within their boundaries, the commissioner
23 of community and regional affairs shall apportion the lawful levy
24 and equitably divide these revenues on the basis of need, services
25 performed and other considerations in the public interest. For
26 the purpose of this subsection, population shall be determined by
27 the commissioner of community and regional affairs based on the
28 latest statistics of the United States Bureau of the Census or
29 on other reliable population data.

1 * Sec. 4. AS 43.55.010(b) is repealed and re-enacted to read:

2 (b) Except for the imposition of the oil and gas transportation
3 property tax (ch. 56 of this title) and the oil and gas property tax
4 (ch. 58 of this title), the tax imposed by this chapter is in place
5 of all taxes imposed by:

6 (1) the state or any of its political subdivisions upon

7 (A) producing oil or gas leases; or

8 (B) oil or gas produced or extracted in the state; or

9 (2) a political subdivision upon

10 (A) oil or gas in place;

11 (B) possessory interests in oil or gas leaseholds

12 whether producing or not;

13 (C) the value of intangible drilling and exploration
14 expenses; or

15 (D) real and tangible personal property used within
16 this state primarily for an interborough common carrier
17 pipeline system for the transportation of gas or unrefined
18 oil (except gas pipeline systems operating as utilities
19 and regulated by the Alaska Public Utilities Commission).

20 * Sec. 5. This Act takes effect on the day after its passage and approval
21 or on the day it becomes law without approval.
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Introduced: 10/22/73
Referred: Finance

1 IN THE HOUSE

BY FERGUSON AND DEGNAN

2 HOUSE BILL NO. 9

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 EIGHTH LEGISLATURE - FIRST SPECIAL SESSION

5 A BILL

6 For an Act entitled: "An Act providing for taxes on property used in the
7 exploration for, production of, or pipeline transporta-
8 tion of gas or unrefined oil; and providing for an
9 effective date."

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

11 * Section 1. AS 43 is amended by adding a new chapter to read:

12 CHAPTER 56. OIL AND GAS EXPLORATION, PRODUCTION AND
13 PIPELINE TRANSPORTATION PROPERTY TAXES.

14 Sec. 43.56.010. LEVY OF TAX. (a) An annual tax of 30 mills is
15 levied each tax year beginning January 1, 1974, on the full and true
16 value of taxable property taxable under this chapter.

17 (b) This chapter shall not prevent political subdivisions from
18 assessing, levying and collecting taxes pursuant to AS 29. A tax
19 collected by a political subdivision under this subsection shall be
20 credited against the tax levied under (a) of this section on the
21 property within that political subdivision in the same taxable year.

22 Sec. 43.56.040. STATE ASSESSMENT REVIEW BOARD. The State Assess-
23 ment Review board is created within the Department of Revenue to review
24 and equalize assessments under sec. 60(a) of this chapter. The board
25 shall consist of the state assessor and the assessor from each political
26 subdivision having within their jurisdiction property that is subject
27 to this chapter and three other members appointed by, and serving at
28 the pleasure of, the governor.

29 Sec. 43.56.050. PER DIEM AND EXPENSES. Members of the board shall

1 receive per diem and expenses authorized by law for boards and commis-
2 sions.

3 Sec. 43.56.060. ASSESSMENT. (a) The department shall assess
4 property for the taxes levied under sec. 10(a) of this chapter at its
5 full and true value as of January 1 of the assessment year.

6 (b) The full and true value of taxable property used or intended
7 to be used for the exploration, production, and transportation of gas
8 or unrefined oil, or in the erection, construction, installation, opera-
9 tion or maintenance of facilities for the exploration, production, and
10 transportation of gas or unrefined oil, is the estimated price which
11 the property would bring in an open market and under the then prevailing
12 market conditions in a sale between a willing seller and a willing
13 buyer both conversant with the property and with prevailing general
14 price levels.

15 Sec. 43.56.070. RETURNS. (a) The department may require by
16 notice every person having ownership or control of an interest in
17 property taxable under this chapter to submit a return in the form
18 prescribed by the department, based on property values existing on
19 January 1, except as otherwise provided in this chapter.

20 (b) The department by written notice may require a person to
21 provide additional information within 30 days of the notice.

22 Sec. 43.56.080. INVESTIGATION. (a) The department may make an
23 investigation of property or which a return has been filed or of
24 taxable property upon which no return has been filed. In either case,
25 the department may make its own valuation of the taxable property,
26 which is prima facie evidence of full and true value.

27 (b) An employee or agent of the department may enter any premise
28 necessary for the investigation during reasonable hours and may examine
29 property and appropriate records. The owner of the taxable property

1 upon request shall furnish to the employee or agent of the department
2 reasonable assistance required for the investigation. If refused
3 entry, the department may seek a court order to compel entry.

4 (c) For the purpose of the investigation the owner of the taxable
5 property or his representative may be required to present himself for
6 examination under oath by the department.

7 Sec. 43.56.090. ASSESSMENT ROLL. The department shall prepare
8 annually an assessment roll for taxation under this chapter. The roll
9 shall contain:

- 10 (1) a description of all taxable property;
11 (2) the assessed value of all taxable property;
12 (3) the names and addresses of persons owning property
13 subject to assessment and taxation.

14 Sec. 43.56.100. ASSESSMENT NOTICE. (a) On or before March 1
15 of each year, the department shall send to every owner of taxable
16 property named in the assessment roll a notice of assessment, showing
17 the assessed value of the property. Notice of assessment is effective
18 on the date of mailing.

19 (b) The department shall also send to a political subdivision
20 a copy of the notice of assessment on any taxable property which is
21 assessed under the provisions of this chapter and which is located
22 in the political subdivision and on which a tax is authorized under
23 sec. 10(b) of this chapter.

24 Sec. 43.56.110. APPEAL TO THE DEPARTMENT. (a) An owner of
25 taxable property receiving an assessment notice may object to the
26 assessment by advising the department in writing of the objections
27 to the assessment within 20 days of the effective date of the notice.

28 (b) The department shall provide by regulation for notices of
29 appeals to interested persons and political subdivisions.

1 (c) Following an objection the department may adjust the assess-
2 ment and the assessment roll. An adjustment based on an objection
3 from an owner of taxable property shall be made within 30 days of the
4 effective date of the notice of assessment.

5 Sec. 43.56.120. APPEAL TO THE STATE ASSESSMENT REVIEW BOARD.

6 (a) After a ruling by the department on an appeal made under sec. 110
7 of this chapter, the owner may further appeal to the board. The appeal
8 must be filed in writing within 50 days of the effective date of the
9 notice of assessment.

10 (b) The board shall provide by regulation for notices of appeals
11 to interested persons and political subdivisions.

12 Sec. 43.56.130. HEARINGS OF STATE ASSESSMENT REVIEW BOARD. (a)
13 The board shall hear appeals filed under sec. 120(a) of this chapter.

14 (b) A majority of the board constitutes a quorum required to
15 transact business.

16 (c) The board shall provide by regulation for notices of hearings
17 to interested persons and political subdivisions.

18 (d) If an appellant fails to appear at the hearing, the board
19 may proceed with the hearing in his absence.

20 (e) The appellant bears the burden of proof at the hearing.

21 (f) The only grounds for adjustment of assessed value is proof
22 of unequal, excessive or improper valuation or valuation not determined
23 in accordance with the standards set out in this chapter, based on facts
24 stated in a written appeal timely filed or proved at the hearing.

25 (g) The board shall certify its determinations to the department
26 within seven days of the hearing.

27 (h) The department shall enter the changes and certify the final
28 assessment roll on or before June 1 of each year and by July 1 shall
29 mail to the owner of taxable property or his authorized agent a

1 statement of the amount of tax due.

2 (1) An owner may appeal to the superior court for, and is en-
3 titled to, trial de novo of the board's action.

4 Sec. 43.56.140. SUPPLEMENTARY ASSESSMENT ROLLS. The department
5 shall include property omitted from the assessment roll on a supple-
6 mentary roll, using the procedures set out in this chapter for the
7 original roll.

8 Sec. 43.56.150. COLLECTION AND DEPOSIT. (a) The tax levied
9 under sec. 10(a) of this chapter is payable to the department on or
10 before September 30 of the tax year.

11 (b) The department may provide for voluntary prepayment and for
12 payment by installments.

13 (c) All other taxes, interest and penalties collected under
14 sec. 10(a) of this chapter shall be deposited in the general fund.

15 Sec. 43.56.160. INTEREST AND PENALTY. When the tax levied under
16 sec. 10(a) of this chapter becomes delinquent, a penalty of 10 per cent
17 shall be added. Interest on the delinquent taxes, exclusive of penalty,
18 shall be assessed at a rate of 8 per cent a year.

19 Sec. 43.56.170. LIEN FOR TAX. The taxes levied under this chapter
20 and the interest and penalties thereon are first and paramount liens
21 on the property subject to tax under this chapter.

22 Sec. 43.56.180. REMEDY. The remedy of distraint on property set
23 out in AS 43.20.270 applies to the tax levied by this chapter. How-
24 ever, only property subject to the tax may be distrained.

25 Sec. 43.56.190. PENALTIES. A person who knowingly fails to file
26 a return when due or who makes a false statement in a return required
27 under this chapter with intent to evade taxation is guilty of a mis-
28 demeanor and upon conviction is punishable by a fine of not more than
29 \$1,000 or by imprisonment for not more than six months, or by both,

1 together with costs of prosecution.

2 Sec. 43.56.200. REGULATIONS. The board and the department may
3 adopt regulations in accordance with AS 44.62 as appropriate to carry
4 out their respective duties under this chapter.

5 Sec. 43.56.210. DEFINITIONS. In this chapter

6 (1) "board" means State Assessment Review Board;

7 (2) "department" means Department of Revenue;

8 (3) "gas" includes all natural gas and all hydrocarbons
9 produced at the wellhead not defined as oil;

10 (4) "taxable property" means real and personal property used
11 or intended to be used within this state primarily in the exploration
12 for, production of, or pipeline transportation of gas or unrefined
13 oil (except for property used solely for the retail distribution or
14 solely for the liquification of natural gas), or in the erection, con-
15 struction, installation, operation or maintenance of facilities used
16 in the exploration for, production of or pipeline transportation of
17 gas or unrefined oil, including machinery, appliances, supplies,
18 equipment, drilling rigs, gathering lines and transmission lines,
19 pumping stations, compressor stations, power plants, topping plants,
20 processing units, roads, tank farms, tanker terminals, docks and other
21 port facilities, air strips, communication equipment and facilities,
22 and maintenance equipment and facilities, construction and maintenance
23 camps and other related facilities;

24 (5) "unrefined oil" includes crude petroleum oil and other
25 hydrocarbons regardless of gravity which are produced at the wellhead
26 in liquid form and the liquid hydrocarbons known as distillate or
27 condensate recovered or extracted from gas other than gas produced in
28 association with oil and commonly known as casinghead gas.

29 * Sec. 2. AS 43.55.010(b) and (c) are repealed.

1 * Sec. 3. This Act takes effect on the day after its passage and approval
2 or on the day it becomes law without approval.

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18 assessing, levying and collecting taxes pursuant to AS 29. A tax
19 collected by a political subdivision under this subsection shall be
20 credited against the tax levied under (a) of this section on the
21 property within that political subdivision in the same taxable year.

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25 (g) The board shall certify its determinations to the department
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8 Sec. 43.56.150. COLLECTION AND DEPOSIT. (a) The tax levied
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10 before September 30 of the tax year.

11 (b) The department may provide for voluntary prepayment and for
12 payment by installments.

13 (c) All other taxes, interest and penalties collected under
14 sec. 10(a) of this chapter shall be deposited in the general fund.

15 Sec. 43.56.160. INTEREST AND PENALTY. When the tax levied under
16 sec. 10(a) of this chapter becomes delinquent, a penalty of 10 per cent
17 shall be added. Interest on the delinquent taxes, exclusive of penalty,
18 shall be assessed at a rate of 8 per cent a year.

19 Sec. 43.56.170. LIEN FOR TAX. The taxes levied under this chapter
20 and the interest and penalties thereon are first and paramount liens
21 on the property subject to tax under this chapter.

22 Sec. 43.56.180. REMEDY. The remedy of distraint on property set
23 out in AS 43.20.270 applies to the tax levied by this chapter. How-
24 ever, only property subject to the tax may be distrained.

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26 a return when due or who makes a false statement in a return required
27 under this chapter with intent to evade taxation is guilty of a mis-
28 demeanor and upon conviction is punishable by a fine of not more than
29 \$1,000 or by imprisonment for not more than six months, or by both,

1 together with costs of prosecution.

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3 adopt regulations in accordance with AS 44.62 as appropriate to carry
4 out their respective duties under this chapter.

5 Sec. 43.56.210. DEFINITIONS. In this chapter

6 (1) "board" means State Assessment Review board;

7 (2) "department" means Department of Revenue;

8 (3) "gas" includes all natural gas and all hydrocarbons
9 produced at the wellhead not defined as oil;

10 (4) "taxable property" means real and personal property used
11 or intended to be used within this state primarily in the exploration
12 for, production of, or pipeline transportation of gas or unrefined
13 oil (except for property used solely for the retail distribution, or
14 solely for the liquification of natural gas), or in the erection, con-
15 struction, installation, operation or maintenance of facilities used
16 in the exploration for, production of or pipeline transportation of
17 gas or unrefined oil, including machinery, appliances, supplies,
18 equipment, drilling rigs, gathering lines and transmission lines,
19 pumping stations, compressor stations, power plants, topping plants,
20 processing units, roads, tank farms, tanker terminals, docks and other
21 port facilities, air strips, communication equipment and facilities,
22 and maintenance equipment and facilities, construction and maintenance
23 camps and other related facilities;

24 (5) "unrefined oil" includes crude petroleum oil and other
25 hydrocarbons regardless of gravity which are produced at the wellhead
26 in liquid form and the liquid hydrocarbons known as distillate or
27 condensate recovered or extracted from gas other than gas produced in
28 association with oil and commonly known as casinghead gas.

29 * Sec. 2. AS 43.55.010(b) and (c) are repealed.

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* Sec. 3. This Act takes effect on the day after its passage and approval or on the day it becomes law without approval.

POOR COPY

ALASKA STATE LEGISLATURE

EIGHTH Legislature SPECIAL Session

HOUSE BILL NO. 9

By FERGUSON and DEGNAN

"An Act providing for taxes on property used in the exploration for, production of, or pipeline transportation of gas or unrefined oil; and providing for an effective date."

Taxes on property used for pipeline

Introduced in the House Oct. 22, 19 73

HISTORY IN THE HOUSE

19 73

Oct 22

Read first time and referred to Committee on Finance

Reported back with recommendation that

Read second time and

Read third time and

PASS : Yeas
: Nays
: Absent
: Excused

Effective Date

PASS : Yeas
: Nays
: Absent
: Excused

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

Reported back with recommendation that

Read second time and

Read third time and

PASS : Yeas
: Nays
: Absent
: Excused

Effective Date

PASS : Yeas
: Nays
: Absent
: Excused

Reported correctly engrossed
Signed by President
Returned to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19

Received from Senate

Reported correctly enrolled

Sent to Governor

By Governor

Filed with Lt. Governor

Chapter No.



RECORDS CERTIFICATION



I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

James O. Smith
Signature of Camera Operator

4/26/89
Date

"An Act providing for taxes on property used in the exploration for, production of, or pipeline transportation of gas or unrefined oil; and providing for an effective date."

COMMITTEE REPORT

October 25, 1973

HOUSE

Mr. Speaker:

Date _____

The Committee on Finance has had House Bill No. 10

under consideration. A Majority of the members of the Committee

recommends it DO PASS

recommends it DO NOT PASS

recommends it DO PASS WITH ATTACHED AMENDMENT(S)

recommends it BE REPLACED WITH CS FOR _____ AND THAT

CS FOR _____ DO PASS

"and" recommends it BE REFERRED TO THE _____

COMMITTEE

reports it back WITHOUT RECOMMENDATION

"other"

Members signing the Majority report:

_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Members NOT concurring in the Majority report:

_____	recommends:
_____	recommends:
_____	recommends:
_____	recommends:
_____	recommends:

_____ Chairman

1 IN THE HOUSE

BY M. MILLER

2 HOUSE BILL NO. 10

3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 EIGHTH LEGISLATURE - FIRST SPECIAL SESSION

5 A BILL

6 For an Act entitled: "An Act providing for taxes on property used in the
7 exploration for, production of, or pipeline trans-
8 portation of gas or unrefined oil; and providing
9 for an effective date."

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

11 * Section 1. AS 43 is amended by adding a new chapter to read:

12 CHAPTER 56. OIL AND GAS EXPLORATION, PRODUCTION AND
13 PIPELINE TRANSPORTATION PROPERTY TAXES.

14 Sec. 43.56.010. LEVY OF TAX. (a) An annual tax of 20 mills is
15 levied each tax year beginning January 1, 1974, on the full and true
16 value of taxable property taxable under this chapter.

17 (b) This chapter does not prevent a municipality from assessing,
18 levying and collecting taxes under AS 29. However, the combined levy
19 of state and municipal taxes levied in any municipality under this
20 chapter shall not exceed 30 mills. If the total levies of state and
21 municipal taxes do exceed 30 mills, the amount actually collected
22 shall be 30 mills and the revenues collected shall be divided between
23 the levying governments in proportion to their proposed levies.

24 Sec. 43.56.020. EXEMPTIONS. The following are exempt from the
25 taxes levied or authorized under this chapter:

26 (1) property rights attached to or inherent in the right
27 to explore for or produce oil or gas;

28 (2) oil or gas leases or properties, whether producing or
29 not; "properties" means mineral interests in oil and gas and working

1 estimated price which the property would bring in an open market and
2 under the then prevailing market conditions in a sale between a willing
3 seller and a willing buyer both conversant with the property and with
4 prevailing general price levels.

5 (c) The full and true value of taxable property used or intended
6 to be used for the production of gas or unrefined oil or in the
7 erection, construction, installation, operation or maintenance of
8 facilities for the production of gas or unrefined oil is determined
9 on each January 1 on the basis of actual cost less depreciation based
10 on units of production.

11 (d) The full and true value of taxable property used or intended
12 to be used for pipeline transportation of gas or unrefined oil, or in
13 the erection, construction, installation, operation or maintenance of
14 facilities for the pipeline transportation of gas or unrefined oil is:

15 (1) until January 1 following the date the pipeline begins to
16 transport gas or unrefined oil, the actual cost incurred or accrued with
17 respect to the property as of the date of assessment;

18 (2) determined on each January 1 thereafter with due regard
19 to the replacement cost of the pipeline and the economic life of the
20 property, including the pipeline, based on the estimated life of the
21 proven reserves of gas or unrefined oil then technically, economically
22 and legally deliverable into the transportation facility; however, if
23 the proven reserves of gas or unrefined oil then technically, economi-
24 cally and legally deliverable indicate an economic life materially
25 shorter than the estimated physical life of the transportation facility,
26 the full and true value is the replacement cost reduced by an annual
27 allowance for depreciation on a straight line basis over an economic
28 life based on the actual elapsed life from the commencement of full
29 operation to the date of assessment plus the estimated remaining life

CORRECTION

**THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**

1 IN THE HOUSE

BY M. MILLER

2 HOUSE BILL NO. 10

3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 EIGHTH LEGISLATURE - FIRST SPECIAL SESSION

5 A BILL

6 For an Act entitled: "An Act providing for taxes on property used in the
7 exploration for, production of, or pipeline trans-
8 portation of gas or unrefined oil; and providing
9 for an effective date."

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

11 * Section 1. AS 43 is amended by adding a new chapter to read:

12 CHAPTER 56. OIL AND GAS EXPLORATION PRODUCTION AND
13 PIPELINE TRANSPORTATION PROPERTY TAXES.

14 Sec. 43.56.010. LEVY OF TAX. (a) An annual tax of 20 mills is
15 levied each tax year beginning January 1, 1974, on the full and true
16 value of taxable property taxable under this chapter.

17 (b) This chapter does not prevent a municipality from assessing,
18 levying and collecting taxes under AS 29. However, the combined levy
19 of state and municipal taxes levied in any municipality under this
20 chapter shall not exceed 30 mill. . If the total levies of state and
21 municipal taxes do exceed 30 mills, the amount actually collected
22 shall be 30 mills and the revenues collected shall be divided between
23 the levying governments in proportion to their proposed levies.

24 Sec. 43.56.020. EXEMPTIONS. The following are exempt from the
25 taxes levied or authorized under this chapter:

26 (1) property rights attached to or inherent in the right
27 to explore for or produce oil or gas;

28 (2) oil or gas leases or properties, whether producing or
29 not; "properties" means mineral interests in oil and gas and working

1 interests, royalty interests, and overriding interests in oil and gas
2 leases;

3 (3) oil or gas produced or extracted in the state.

4 Sec. 43.56.030. IN PLACE OF ALL OTHER TAXES. Except for those
5 taxes imposed under chs. 55 and 57 of this title, the taxes levied or
6 authorized under this chapter are in place of

7 (1) taxes on the sale or use of gas or unrefined oil;

8 (2) taxes on the sale or use of services used in or
9 associated with the property or in its erection, construction, main-
10 tenance or operation;

11 (3) taxes on or measured by gross or net income from the
12 property, including income from the exploration for, production of,
13 or pipeline transportation of gas or unrefined oil or property.

14 Sec. 43.56.040. STATE ASSESSMENT REVIEW BOARD. The State Assess-
15 ment Review Board is created within the Department of Revenue. The
16 board consists of five persons, appointed by the governor to serve at
17 his pleasure, of whom at least one shall be an elected official of
18 local government.

19 Sec. 43.56.050. PER DIEM AND EXPENSES. Members of the board
20 shall receive per diem and expenses authorized by law for boards and
21 commissions.

22 Sec. 43.56.060. ASSESSMENT. (a) The department or local munici-
23 palities shall assess property for the taxes levied under secs. 10(a)
24 and 10(b) of this chapter at its full and true value as of January 1
25 of the assessment year.

26 (b) The full and true value of taxable property used or intended
27 to be used for the exploration for gas or unrefined oil, or in the
28 erection, construction, installation, operation or maintenance of
29 facilities for the exploration for gas or unrefined oil, is the

1 estimated price which the property would bring in an open market and
2 under the then prevailing market conditions in a sale between a willing
3 seller and a willing buyer both conversant with the property and with
4 prevailing general price levels.

5 (c) The full and true value of taxable property used or intended
6 to be used for the production of gas or unrefined oil or in the
7 erection, construction, installation, operation or maintenance of
8 facilities for the production of gas or unrefined oil is determined
9 on each January 1 on the basis of actual cost less depreciation based
10 on units of production.

11 (d) The full and true value of taxable property used or intended
12 to be used for pipeline transportation of gas or unrefined oil, or in
13 the erection, construction, installation, operation or maintenance of
14 facilities for the pipeline transportation of gas or unrefined oil is:

15 (1) until January 1 following the date the pipeline begins to
16 transport gas or unrefined oil, the actual cost incurred or accrued with
17 respect to the property as of the date of assessment;

18 (2) determined on each January 1 thereafter with due regard
19 to the replacement cost of the pipeline and the economic life of the
20 property, including the pipeline, based on the estimated life of the
21 proven reserves of gas or unrefined oil then technically, economically
22 and legally deliverable into the transportation facility; however, if
23 the proven reserves of gas or unrefined oil then technically, economi-
24 cally and legally deliverable indicate an economic life materially
25 shorter than the estimated physical life of the transportation facility,
26 the full and true value is the replacement cost reduced by an annual
27 allowance for depreciation on a straight line basis over an economic
28 life based on the actual elapsed life from the commencement of full
29 operation to the date of assessment plus the estimated remaining life

1 of the proven reserves of gas and unrefined oil then technically,
2 economically and legally deliverable into the transportation facility
3 as of the date of the assessment; and

4 (3) on the assessment date next following inability to use
5 or construct all or a substantial part of the facility for a period of
6 90 or more consecutive days because of natural disaster.

7 (e) For purposes of this section "actual cost" and "replacement
8 cost" do not include interest capitalized before or during the period
9 of construction. In the case of taxable property under construction,
10 "actual cost" for purposes of this section means the costs incurred or
11 accrued with respect to the property as of the date of assessment.

12 Sec. 43.56.065. LOCAL ASSESSMENT. A municipality imposing a tax
13 under sec. 10(b) of this chapter may contract with the state for
14 assessment of the property or may do its own assessing. If munici-
15 palities elect to do their own assessing, the department shall provide
16 uniform standards for assessing property taxable under this chapter.
17 A municipality assessing property taxable under this chapter shall
18 send a copy of the notice of assessment to the department.

19 Sec. 43.56.070. RETURNS. (a) The department may require, by
20 notice, every person having ownership or control of an interest in
21 property taxable under this chapter to submit a return in the form
22 prescribed by the department, based on property values existing on
23 January 1, except as otherwise provided in this chapter.

24 (b) The department by written notice may require a person to
25 provide additional information within 30 days of the notice.

26 Sec. 43.56.080. INVESTIGATION. (a) The department may make an
27 investigation of property on which a return has been filed or of taxable
28 property upon which no return has been filed. In either case, the
29 department may make its own valuation of the taxable property, which

1 is prima facie evidence of full and true value.

2 (b) An employee or agent of the department may enter any premise
3 necessary for the investigation during reasonable hours and may examine
4 property and appropriate records. The owner of the taxable property
5 upon request shall furnish to the employee or agent of the department
6 reasonable assistance required for the investigation. If refused entry,
7 the department may seek a court order to compel entry.

8 (c) For the purpose of the investigation the owner of the
9 taxable property or his representative may be required to present
10 himself for examination under oath by the department.

11 Sec. 43.56.090. ASSESSMENT ROLL. The department shall prepare
12 annually the only assessment roll for taxation under this chapter. The
13 roll shall contain:

- 14 (1) a description of all taxable property;
15 (2) the assessed value of all taxable property;
16 (3) the names and addresses of persons owning property
17 subject to assessment and taxation.

18 Sec. 43.56.100. ASSESSMENT NOTICE. (a) On or before March 1
19 of each year, the department shall send to every owner of taxable
20 property named in the assessment roll a notice of assessment, showing
21 the assessed value of the property. Notice of assessment is effective
22 on the date of mailing.

23 (b) The department shall also send to a municipality a copy of
24 the notice of assessment on any taxable property which is assessed
25 under the provisions of this chapter and which is located in the
26 municipality and on which a tax is authorized under sec. 10(b) of this
27 chapter.

28 Sec. 43.56.110. APPEAL TO THE DEPARTMENT. (a) An owner of
29 taxable property or a municipality receiving an assessment notice

1 may object to the assessment by advising the department in writing of
2 the objections to the assessment within 20 days of the effective date
3 of the notice.

4 (b) The department shall provide by regulation for notices of
5 appeals to interested persons and municipalities.

6 (c) Following an objection the department may adjust the assess-
7 ment and the assessment roll. An adjustment based on an objection from
8 an owner of taxable property or a municipality shall be made within
9 30 days of the effective date of the notice of assessment.

10 Sec. 43.56.120. APPEAL TO THE STATE ASSESSMENT REVIEW BOARD.

11 (a) After a ruling by the department on an appeal made under sec. 110
12 of this chapter, the owner or municipality may further appeal to the
13 board. The appeal must be filed in writing within 50 days of the
14 effective date of the notice of assessment.

15 (b) The board shall provide by regulation for notices of appeals
16 to interested persons and municipalities.

17 Sec. 43.56.130. HEARINGS OF STATE ASSESSMENT REVIEW BOARD. (a)
18 The board shall hear appeals filed under sec. 120(a) of this chapter.

19 (b) A majority of the board constitutes a quorum required to
20 transact business.

21 (c) The board shall provide by regulation for notices of hearings
22 to interested persons and municipalities.

23 (d) If an appellant fails to appear at the hearing, the board
24 may proceed with the hearing in his absence.

25 (e) The appellant bears the burden of proof at the hearing.

26 (f) The only grounds for adjustment of assessed value is proof of
27 unequal, excessive or improper valuation or valuation not determined in
28 accordance with the standards set out in this chapter, based on facts
29 stated in a written appeal timely filed or proved at the hearing.

1 (g) The board shall certify its determinations to the department
2 within seven days of the hearing.

3 (h) The department shall enter the changes and certify the final
4 assessment roll on or before June 1 of each year and by July 1 shall
5 mail to the owner of taxable property or his authorized agent a state-
6 ment of the amount of tax due.

7 (i) An owner or municipality may appeal to the superior court
8 for, and is entitled to, trial de novo of the board's action.

9 Sec. 43.56.140. SUPPLEMENTARY ASSESSMENT ROLLS. The department
10 shall include property omitted from the assessment roll on a supple-
11 mentary roll, using the procedures set out in this chapter for the
12 original roll.

13 Sec. 43.56.150. COLLECTION AND DEPOSIT. (a) The tax levied by
14 this chapter is payable to the department on or before September 30 of
15 the tax year.

16 (b) The department may provide for voluntary prepayment and for
17 payment by installments.

18 (c) If a municipality levies the tax authorized by sec. 10(b)
19 of this chapter, the department shall collect the tax under this
20 chapter and promptly remit it to the municipality, unless the munici-
21 pality elects to collect that portion of the tax itself.

22 (d) All other taxes, interest and penalties collected under
23 this chapter shall be deposited in the general fund.

24 Sec. 43.56.160. INTEREST AND PENALTY. When the tax levied by
25 this chapter becomes delinquent, a penalty of 10 per cent shall be
26 added. Interest on the delinquent taxes, exclusive of penalty, shall
27 be assessed at a rate of eight per cent a year.

28 Sec. 43.56.170. LIEN FOR TAX. The tax levied under this chapter
29 and the interest and penalty provided in sec. 160 of this chapter are

1 first and paramount liens on the property subject to tax under this
2 chapter.

3 Sec. 43.56.180. REMEDY. The remedy of distraint on property
4 set out in AS 43.20.270 applies to the tax levied by this chapter.
5 However, only property subject to the tax may be distrained.

6 Sec. 43.56.190. PENALTIES. A person who knowingly fails to file
7 a return when due or who makes a false statement in a return required
8 under this chapter with intent to evade taxation is guilty of a mis-
9 demeanor and upon conviction is punishable by a fine of not more than
10 \$1,000, or by imprisonment for not more than six months, or by both,
11 together with costs of prosecution.

12 Sec. 43.56.200. REGULATIONS. The board and the department may
13 adopt regulations in accordance with AS 44.62 as appropriate to carry
14 out their respective duties under this chapter.

15 Sec. 43.56.210. DEFINITIONS. In this chapter

16 (1) "board" means the State Assessment Review Board;

17 (2) "department" means the Department of Revenue;

18 (3) "gas" includes all natural gas and all hydrocarbons
19 produced at the wellhead not defined as oil;

20 (4) "intangible drilling and development expenses" means
21 those expenses defined in sec. 263(c) of the United States Internal
22 Revenue Code as defined on the effective date of this paragraph;

23 (5) "taxable property" means real and tangible personal
24 property used or intended to be used within this state primarily in
25 the exploration for, production of, or pipeline transportation of gas
26 or unrefined oil (except for property used solely for the retail dis-
27 tribution or solely for the liquification of natural gas), or in the
28 erection, construction, installation, operation or maintenance of
29 facilities used in the exploration for, production of, or pipeline

1 transportation of gas or unrefined oil, including machinery, appliances,
2 supplies, equipment, drilling rigs, gathering lines and transmission
3 lines, pumping stations, compressor stations, power plants, topping
4 plants, processing units, roads, tank farms, tanker terminals, docks
5 and other port facilities, air strips, communication equipment and
6 facilities, and maintenance equipment and facilities, construction
7 and maintenance camps and other related facilities; and includes
8 intangible drilling and development expenses and exploration expenses,
9 and oil or gas in place;

10 (6) "unrefined oil" includes crude petroleum oil and other
11 hydrocarbons regardless of gravity which are produced at the wellhead
12 in liquid form and the liquid hydrocarbons known as distillate or
13 condensate recovered or extracted from gas other than gas produced
14 in association with oil and commonly known as casinghead gas.

15 * Sec. 2. This Act takes effect on the day after its passage and approval
16 or on the day it becomes law without approval.

Introduced: 10/25/73
Referred: Finance

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BY M. MILLER

2 HOUSE BILL NO. 10

3 IN THE LEGISLATURE OF THE STATE OF ALASKA
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10 tenance or operation;

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21 commissions.

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23 palities shall assess property for the taxes levied under secs. 10(a)
24 and 10(b) of this chapter at its full and true value as of January 1
25 of the assessment year.

26 (b) The full and true value of taxable property used or intended
27 to be used for the exploration for gas or unrefined oil, or in the
28 erection, construction, installation, operation or maintenance of
29 facilities for the exploration for gas or unrefined oil, is the

1 estimated price which the property would bring in an open market and
2 under the then prevailing market conditions in a sale between a willing
3 seller and a willing buyer both conversant with the property and with
4 prevailing general price levels.

5 (c) The full and true value of taxable property used or intended
6 to be used for the production of gas or unrefined oil or in the
7 erection, construction, installation, operation or maintenance of
8 facilities for the production of gas or unrefined oil is determined
9 on each January 1 on the basis of actual cost less depreciation based
10 on units of production.

11 (d) The full and true value of taxable property used or intended
12 to be used for pipeline transportation of gas or unrefined oil, or in
13 the erection, construction, installation, operation or maintenance of
14 facilities for the pipeline transportation of gas or unrefined oil is:

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17 respect to the property as of the date of assessment;

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3 as of the date of the assessment; and

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5 or construct all or a substantial part of the facility for a period of
6 90 or more consecutive days because of natural disaster.

7 (e) For purposes of this section "actual cost" and "replacement
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9 of construction. In the case of taxable property under construction,
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21 property taxable under this chapter to submit a return in the form
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22 on the date of mailing.

23 (b) The department shall also send to a municipality a copy of
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25 under the provisions of this chapter and which is located in the
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27 chapter.

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5 appeals to interested persons and municipalities.

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2 chapter.

3 Sec. 43.56.180. REMEDY. The remedy of distraint on property
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5 However, only property subject to the tax may be distrained.

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8 under this chapter with intent to evade taxation is guilty of a mis-
9 demeanor and upon conviction is punishable by a fine of not more than
10 \$1,000, or by imprisonment for not more than six months, or by both,
11 together with costs of prosecution.

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13 adopt regulations in accordance with AS 44.62 as appropriate to carry
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16 (1) "board" means the State Assessment Review Board;

17 (2) "department" means the Department of Revenue;

18 (3) "gas" includes all natural gas and all hydrocarbons
19 produced at the wellhead not defined as oil;

20 (4) "intangible drilling and development expenses" means
21 those expenses defined in sec. 263(c) of the United States Internal
22 Revenue Code as defined on the effective date of this paragraph;

23 (5) "taxable property" means real and tangible personal
24 property used or intended to be used within this state primarily in
25 the exploration for, production of, or pipeline transportation of gas
26 or unrefined oil (except for property used solely for the retail dis-
27 tribution or solely for the liquification of natural gas), or in the
28 erection, construction, installation, operation or maintenance of
29 facilities used in the exploration for, production of, or pipeline

1 transportation of gas or unrefined oil, including machinery, appliances,
2 supplies, equipment, drilling rigs, gathering lines and transmission
3 lines, pumping stations, compressor stations, power plants, topping
4 plants, processing units, roads, tank farms, tanker terminals, docks
5 and other port facilities, air strips, communication equipment and
6 facilities, and maintenance equipment and facilities, construction
7 and maintenance camps and other related facilities; and includes
8 intangible drilling and development expenses and exploration expenses,
9 and oil or gas in place;

10 (6) "unrefined oil" includes crude petroleum oil and other
11 hydrocarbons regardless of gravity which are produced at the wellhead
12 in liquid form and the liquid hydrocarbons known as distillate or
13 condensate recovered or extracted from gas other than gas produced
14 in association with oil and commonly known as casinghead gas.

15 * Sec. 2. This Act takes effect on the day after its passage and approval
16 or on the day it becomes law without approval.
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POOR COPY

ALASKA STATE LEGISLATURE

Eighth Legislature **Special** Session

HOUSE Bill **NO. 10**

By **M. Miller**

"An Act providing for taxes on property used in the exploration for, production of, or pipeline transportation of gas or unrefined oil; and providing for an effective date"

Taxes on property exploration/production/transp. gas or oil

Introduced in the House **Oct. 25, 1973**

HISTORY IN THE HOUSE

19 73

10 25

Read first time and referred to Committee on Finance

Reported back with recommendation that

Read second time and

Read third time and

PASS : Yeas
Nays
Absent
Excused

Effective Date

PASS : Yeas
Nays
Absent
Excused

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

Reported back with recommendation that

Read second time and

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PASS : Yeas
Nays
Absent
Excused

Effective Date

PASS : Yeas
Nays
Absent
Excused

Reported correctly engrossed
Signed by President
Returned to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19

Received from Senate

Reported correctly enrolled

Sent to Governor

By Governor

Filed with Lt. Governor

Chapter No.



RECORDS CERTIFICATION

I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

James O. Smith
Signature of Camera Operator

4/26/89
Date

"An Act providing for a sales tax on property used in the exploration for, production of, or pipeline transportation of oil or gas; and providing for an effective date

COMMITTEE REPORT

October 29, 1973

HOUSE

Mr. Speaker:

Date _____

The Committee on Finance has had HB 11

under consideration. A Majority of the members of the Committee

recommends it DO PASS

recommends it DO NOT PASS

recommends it DO PASS WITH ATTACHED AMENDMENT(S)

recommends it BE REPLACED WITH CS FOR _____ AND THAT

CS FOR _____ DO PASS

"and" recommends it BE REFERRED TO THE _____

COMMITTEE

reports it back WITHOUT RECOMMENDATION

"other"

Members signing the Majority report:

_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ Chairman

Introduced: 10/29/73
Referred: Finance

1 IN THE HOUSE

BY FERGUSON AND DEGNAN

2 HOUSE BILL NO. 11

3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 EIGHTH LEGISLATURE - FIRST SPECIAL SESSION

5 A BILL

6 For an Act entitled: "An Act providing for a sales tax on property used in
7 the exploration for, production of, or pipeline trans-
8 portation of oil or gas; and providing for an effective
9 date."

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

11 * Section 1. AS 43 is amended by adding a new chapter to read:

12 CHAPTER 58. SALES TAX ON PROPERTY USED IN OIL OR GAS
13 EXPLORATION, PRODUCTION, OR PIPELINE TRANSPORTATION.

14 Sec. 43.58.010. IMPOSITION OF TAX. (a) There is a sales tax at
15 the rate of six per cent on the sale at retail within the state of all
16 tangible personal property and services taxable under this chapter.

17 (b) There is a use tax on the storage, use or other consumption
18 in this state of taxable items purchased, leased or rented from any
19 retailer for storage, use or other consumption in the state, at the same
20 percentage rate as provided in (a) of this section, on the sales price
21 of the taxable item, or in the case of leases or rentals, on the lease
22 or rental price.

23 Sec. 43.58.020. ADMINISTRATION OF THE TAX. (a) Every retailer
24 shall add the sales tax imposed by sec. 10(a) of this chapter to his
25 sales price and when added the tax shall constitute a part of the
26 price, shall be a debt of the purchaser to the retailer until paid, and
27 shall be recoverable at law in the same manner as the purchase price.

28 (b) Every retailer engaged in business in this state and selling,
29 leasing or renting items for storage, use or other consumption in the

1 state shall at the time of making the sale collect any use tax which
2 may be due from the purchaser and give to the purchaser a receipt for
3 it in the manner prescribed by the department.

4 (c) Every person storing, using or otherwise consuming in this
5 state taxable items purchased from a retailer or leased or rented from
6 another person for this purpose is liable for the tax. His liability
7 is not extinguished until the tax has been paid to the department,
8 except that a receipt from a retailer engaged in business in this state,
9 or from a retailer who is authorized by the department to collect the
10 tax, given to the purchaser under (b) of this section is sufficient to
11 relieve the purchaser from further liability for the tax to which the
12 receipt refers.

13 Sec. 43.58.030. RETURN OF PAYMENT. (a) The taxes imposed by
14 this chapter shall be paid monthly. The tax is due on the last day of
15 each calendar month on sales, use, storage or other consumption of
16 taxable items during the preceding month.

17 (b) A return shall be filed by each retailer engaged in the
18 business of selling taxable items in the state and by every person who
19 has purchased taxable items on which a use tax is due, but who has not
20 paid the use tax due to the retailer.

21 (c) The return shall show the amount of taxes for the period
22 covered by the return and other information that the department re-
23 quires as necessary for the proper administration of the tax.

24 (d) If a person fails to file a report as required or fails to
25 pay to the department the tax as imposed under this chapter when the
26 report or payment is due, he shall forfeit five per cent of the amount
27 due as a penalty, and after the first 30 days he shall forfeit an
28 additional five per cent; however, the penalty shall never be less
29 than \$1. Delinquent taxes draw interest at the rate of six per cent

1 a year, beginning 60 days from the date due.

2 Sec. 43.58.040. REGULATION. The department shall enforce the
3 provisions of this chapter and shall adopt regulations relating to the
4 administration and enforcement of this chapter.

5 Sec. 43.58.050. RECORDS. Every seller, every retailer, and every
6 person storing, using or otherwise consuming in this state taxable
7 items purchased from a retailer shall keep records, receipts, invoices
8 and other pertinent papers in the form that the department may reason-
9 ably require.

10 Sec. 43.58.060. VIOLATIONS. A person who wilfully violates a
11 provision of this chapter is guilty of a misdemeanor and, upon con-
12 viction, is punishable by a fine of not more than \$1,000 for each
13 violation.

14 Sec. 43.58.070. DEPOSIT IN THE GENERAL FUND. All revenue from
15 the tax imposed by this chapter shall be deposited in the general fund.

16 Sec. 43.58.080. DEFINITIONS. In this chapter

- 17 (1) "department" means the Department of Revenue;
- 18 (2) "taxable property" means real and tangible personal
19 property used or intended to be used within this state primarily in
20 the exploration for, production of, or pipeline transportation of gas
21 or unrefined oil (except for property used solely for the retail dis-
22 tribution or solely for the liquification of natural gas), or in the
23 erection, construction, installation, operation or maintenance of
24 facilities used in the exploration for, production of, or pipeline
25 transportation of gas or unrefined oil, including machinery, appliances,
26 supplies, equipment, drilling rigs, gathering lines and transmission
27 lines, pumping stations, compressor stations, power plants, topping
28 plants, processing units, roads, tank farms, tanker terminals, docks
29 and other port facilities, air strips, communication equipment and

1 facilities, and maintenance equipment and facilities, construction
2 and maintenance camps and other related facilities; and includes
3 intangible drilling and development expenses and exploration expenses.

4 * Sec. 2. This Act takes effect on the day after its passage and approval
5 or on the day it becomes law without approval.

Introduced: 10/29/73
Referred: Finance

1 IN THE HOUSE

BY FERGUSON AND DEGNAN

2 HOUSE BILL NO. 11

3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 EIGHTH LEGISLATURE - FIRST SPECIAL SESSION

5 A BILL

6 For an Act entitled: "An Act providing for a sales tax on property used in
7 the exploration for, production of, or pipeline trans-
8 portation of oil or gas; and providing for an effective
9 date."

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22 or rental price.

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COMMITTEE COPY

1 state shall at the time of making the sale collect any use tax which
2 may be due from the purchaser and give to the purchaser a receipt for
3 it in the manner prescribed by the department.

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5 state taxable items purchased from a retailer or leased or rented from
6 another person for this purpose is liable for the tax. His liability
7 is not extinguished until the tax has been paid to the department,
8 except that a receipt from a retailer engaged in business in this state,
9 or from a retailer who is authorized by the department to collect the
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20 paid the use tax due to the retailer.

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22 covered by the return and other information that the department re-
23 quires as necessary for the proper administration of the tax.

24 (d) If a person fails to file a report as required or fails to
25 pay to the department the tax as imposed under this chapter when the
26 report or payment is due, he shall forfeit five per cent of the amount
27 due as a penalty, and after the first 30 days he shall forfeit an
28 additional five per cent; however, the penalty shall never be less
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21 or unrefined oil (except for property used solely for the retail dis-
22 tribution or solely for the liquification of natural gas), or in the
23 erection, construction, installation, operation or maintenance of
24 facilities used in the exploration for, production of, or pipeline
25 transportation of gas or unrefined oil, including machinery, appliances,
26 supplies, equipment, drilling rigs, gathering lines and transmission
27 lines, pumping stations, compressor stations, power plants, topping
28 plants, processing units, roads, tank farms, tanker terminals, docks
29 and other port facilities, air strips, communication equipment and

HB 11

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2 and maintenance camps and other related facilities; and includes
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4 * Sec. 2. This Act takes effect on the day after its passage and approval
5 or on the day it becomes law without approval.
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ALASKA STATE LEGISLATURE

EIGHTH Legislature SPECIAL Session

HOUSE BILL NO. 11

By Ferguson and Degnan

"An Act providing for a sales tax on property used in the exploration for, production of, or pipeline transportation of oil or gas; and providing for an effective date."

Introduced in the House 10/29, 1973.

HISTORY IN THE HOUSE

1973

10 29

Read first time and referred to Committee on Finance

Reported back with recommendation that

Read second time and

Read third time and

PASS : Yeas
Nays
Absent
Excused

Effective Date

PASS : Yeas
Nays
Absent
Excused

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

Reported back with recommendation that

Read second time and

Read third time and

PASS : Yeas
Nays
Absent
Excused

Effective Date

PASS : Yeas
Nays
Absent
Excused

Reported correctly engrossed
Signed by President
Returned to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19

Received from Senate

Reported correctly enrolled

Sent to Governor

By Governor

Filed with Lt. Governor

Chapter No.



RECORDS CERTIFICATION



I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

James O. Smith
Signature of Camera Operator

4/26/89
Date

COMMITTEE REPORT

November 5, 1973

HOUSE

Mr. Speaker:

Date _____

The Committee on FINANCE has had HB 12

under consideration. A Majority of the members of the Committee

() recommends it DO PASS

() recommends it DO NOT PASS

() recommends it DO PASS WITH ATTACHED AMENDMENT(S)

() recommends it BE REPLACED WITH CS FOR _____ AND THAT

CS FOR _____ DO PASS

() "and" recommends it BE REFERRED TO THE _____

COMMITTEE

() reports it back WITHOUT RECOMMENDATION

() "other"

Members signing the Majority report:

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ Chairman

Introduced: 11/5/73
Referred: Finance

1 IN THE HOUSE

BY HUBER

2 HOUSE BILL NO. 12

3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 EIGHTH LEGISLATURE - FIRST SPECIAL SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the oil and gas properties produc-
7 tion tax; and providing for an effective date."

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

9 * Section 1. AS 43.55.010 is repealed and re-enacted to read:

10 Sec. 43.55.010. GROSS PRODUCTION TAX ON OIL. (a) There is
11 levied upon the producer of oil a tax of \$1 on each barrel of oil
12 removed or sold from each lease or property in the state, less any
13 part the ownership or right to which is exempt from taxation. The tax
14 is upon the whole production, including what is commonly known as the
15 royalty interest.

16 (b) If the average refinery price for oil of a particular kind
17 and quality exceeds \$5, then the tax levied under (a) of this section
18 on that kind and grade of oil shall be increased by \$0.01 for each
19 \$0.02 by which the refinery price exceeds \$4.

20 * Sec. 2. AS 43.55 is amended by adding new sections to read:

21 Sec. 43.55.012. GROSS PRODUCTION TAX ON GAS. There is levied
22 upon the producer of natural gas a tax at the rate of four per cent on
23 the gross value of the gas and liquid products removed or sold from
24 each lease or property in the state, less the value of any part the
25 ownership or right to which is exempt. The tax is upon the whole
26 production, including what is commonly known as the royalty interest.

27 Sec. 43.55.014. IN PLACE OF AD VALOREM TAXES. (a) Payment of
28 the tax imposed under this chapter is in place of all ad valorem taxes
29 now or hereafter imposed by municipalities upon

1 (1) property rights attached to or inherent in the right
2 to producing oil or gas;

3 (2) producing oil or gas leases;

4 (3) oil or gas in place;

5 (4) oil or gas produced in the state upon which gross
6 production taxes are paid;

7 (5) an investment in property described in this section.

8 (b) When the annual amount of the tax levied under sec. 10 of
9 this chapter on the production of an oil or gas lease or property
10 exceeds the amount of ad valorem tax levied under AS 43.56.010 on
11 the oil or gas reserves under the lease or property, the tax provided
12 under this chapter is in place of the tax levied under AS 43.56.010.

13 (c) An interest in land not described in this section shall be
14 assessed and taxed as other property within the taxing district in
15 which property is located.

16 (d) The gross production tax is not in place of income taxes
17 or excise taxes upon the retail sale of oil or gas products.

18 * Sec. 3. AS 43.55.015 is repealed.

19 * Sec. 4. This Act takes effect January 1, 1974.
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Introduced: 11/5/73
Referred: Finance

1 IN THE HOUSE

BY HUBER

2 HOUSE BILL NO. 12

3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 EIGHTH LEGISLATURE - FIRST SPECIAL SESSION

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26 production, including what is commonly known as the royalty interest.

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6 production taxes are paid;

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9 this chapter on the production of an oil or gas lease or property
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11 the oil or gas reserves under the lease or property, the tax provided
12 under this chapter is in place of the tax levied under AS 43.56.010.

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15 which property is located.

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17 or excise taxes upon the retail sale of oil or gas products.

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19 * Sec. 4. This Act takes effect January 1, 1974.
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ALASKA STATE LEGISLATURE

EIGHTH Legislature SPECIAL Session

HOUSE BILL NO. 12.....

By HUBER

"An Act relating to the oil and gas properties production tax; and providing for an effective date."

Introduced in the House Nov. 5, 19 73

HISTORY IN THE HOUSE

19 73

11 5

Read first time and referred to Committee on Finance

Reported back with recommendation that

Read second time and

Read third time and

PASS : Yeas
Nays
Absent
Excused

Effective Date

PASS : Yeas
Nays
Absent
Excused

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

Reported back with recommendation that

Read second time and

Read third time and

PASS : Yeas
Nays
Absent
Excused

Effective Date

PASS : Yeas
Nays
Absent
Excused

Reported correctly engrossed
Signed by President
Returned to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19

Received from Senate

Reported correctly enrolled

Sent to Governor

By Governor

Filed with Lt. Governor

Chapter No.



RECORDS CERTIFICATION



I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

James O. Smith
Signature of Camera Operator

4/26/89
Date

COMMITTEE REPORT

November 6, 1973 HOUSE

Mr. Speaker: Date _____

The Committee on FINANCE has had HOUSE BILL NO. 13

under consideration. A Majority of the members of the Committee

() recommends it DO PASS

() recommends it DO NOT PASS

() recommends it DO PASS WITH ATTACHED AMENDMENT(S)

() recommends it BE REPLACED WITH CS FOR _____ AND THAT
CS FOR _____ DO PASS

() "and" recommends it BE REFERRED TO THE _____
COMMITTEE

() reports it back WITHOUT RECOMMENDATION

() "other"

Members signing the Majority report:

Members NOT concurring in the Majority report:

_____ recommends:
_____ recommends:
_____ recommends:
_____ recommends:
_____ recommends:

_____ Chairman

Introduced: 11/6/73
Referred: Finance

1 IN THE HOUSE

BY HUBER

2 HOUSE BILL NO. 13

3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 EIGHTH LEGISLATURE - FIRST SPECIAL SESSION

5 A BILL

6 For an Act entitled: "An Act providing for taxes on property used in the
7 exploration for or production of gas or unrefined oil;
8 and providing for an effective date."

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

10 * Section 1. AS 43 is amended by adding a new chapter to read:

11 CHAPTER 56. OIL AND GAS EXPLORATION AND PRODUCTION

12 PROPEPTY TAXES.

13 Sec. 43.56.010. LEVY C^T TAX. An annual tax of 10 milis is
14 levied each tax year beginning January 1, 1974, on the full and true
15 value of taxable property taxable under this chapter.

16 Sec. 43.56.020. EXEMPTIONS. The following are exempt from the
17 taxes levied or authorized under this chapter:

18 (1) property rights attached to or inherent in the right
19 to explore for or produce oil or gas;

20 (2) producing oil or gas leases or properties which are
21 paying gross production tax under AS 43.55.010 in an amount which
22 exceeds the amount of tax that would be due under this chapter;

23 (3) oil or gas leases, including the ownership of and the
24 right to extract the oil and gas under the lease, for the first five
25 years following the original issuance of the lease, whether producing
26 or not;

27 (4) oil or gas produced or extracted in the state.

28 Sec. 43.56.030. IN PLACE OF ALL OTHER TAXES. Except for those
29 taxes imposed under ch. 55 and ch. 57 of this title, the taxes levied

1 or authorized under this chapter are in place of

2 (1) all ad valorem taxes or other taxes imposed by the
3 state or a municipality on property subject to tax under this chapter
4 or exempted from taxation by sec. 20 of this chapter; and

5 (2) all ad valorem taxes imposed by a municipality on or
6 with respect to oil or gas in place.

7 Sec. 43.56.040. STATE ASSESSMENT REVIEW BOARD. The State Assess-
8 ment Review Board is created within the Department of Revenue. The board
9 consists of five persons appointed by the governor to serve at his
10 pleasure.

11 Sec. 43.56.050. PER DIEM AND EXPENSES. Members of the board shall
12 receive per diem and expenses authorized by law for boards and commissions.

13 Sec. 43.56.060. ASSESSMENT. The department shall assess property
14 for the taxes levied under sec. 10 of this chapter at its full and
15 true value as of January 1 of the assessment year.

16 Sec. 43.56.070. RETURNS. (a) The department may require by
17 notice every person having ownership or control of an interest in
18 property taxable under this chapter to submit a return in the form
19 prescribed by the department, based on property values existing on
20 January 1, except as otherwise provided in this chapter.

21 (b) The department by written notice may require a person to
22 provide additional information within 30 days of the notice.

23 Sec. 43.56.080. INVESTIGATION. (a) The department may make an
24 investigation of property on which a return has been filed or of tax-
25 able property upon which no return has been filed. In either case, the
26 department may make its own valuation of the taxable property, which
27 is prima facie evidence of full and true value.

28 (b) An employee or agent of the department may enter any premise
29 necessary for the investigation during reasonable hours and may examine

1 property and appropriate records. The owner of the taxable property upon
2 request shall furnish to the employee or agent of the department reason-
3 able assistance required for the investigation. If refused entry, the
4 department may seek a court order to compel entry.

5 (c) For the purpose of the investigation the owner of the taxable
6 property or his representative may be required to present himself for
7 examination under oath by the department.

8 Sec. 43.56.090. ASSESSMENT ROLL. The department shall prepare
9 annually the only assessment roll for taxation under this chapter. The
10 roll shall contain:

- 11 (1) a description of all taxable property;
- 12 (2) the assessed value of all taxable property;
- 13 (3) the names and addresses of persons owning property sub-
14 ject to assessment and taxation.

15 Sec. 43.56.100. ASSESSMENT NOTICE. (a) On or before March 1 of each
16 year, the department shall send to every owner of taxable property named
17 in the assessment roll a notice of assessment, showing the assessed value
18 of the property. Notice of assessment is effective on the date of mailing.

19 (b) The department shall also send to a municipality a copy of the
20 notice of assessment on any taxable property which is assessed under the
21 provisions of this chapter and which is located in the municipality.

22 Sec. 43.56.110. APPEAL TO THE DEPARTMENT. (a) An owner of taxable prop-
23 erty or a municipality receiving an assessment notice may object to the
24 assessment by advising the department in writing of the objections to the
25 assessment within 20 days of the effective date of the notice.

26 (b) The department shall provide by regulation for notices of
27 appeals to interested persons and municipalities.

28 (c) Following an objection the department may adjust the assessment
29 and the assessment roll. An adjustment based on an objection from