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HRES HB 59

RATIOS OF ASSESSMENT AND RATES OF TAXATION
FOR THE LARGEST CITY WITHIN EACH STATE

Table XI. (continued)

12. Portland's ratio is four times the amount stated in Census of Governments for Multnomah County to reflect the recent change in the statutory ratio from 25% to 100% beginning in 1968-1969.
13. Philadelphia's ratio was approximated by the State of Pennsylvania to be 65%.
14. The ratio used for Huntington is the same as the average state ratio for residential properties (class II).

FOOTNOTES FOR RATES:

(Rates not footnoted are assumed to be for taxes payable in 1972 or are otherwise most recently available. See specific footnotes.)

- A. Rate is for taxes payable in 1971.
- B. State and Local Taxes, Prentice-Hall.
- C. Indianapolis' rate is an arithmetic average of the six township rates in which it is located as listed in Prentice-Hall for taxes payable in 1972.
- D. Rate is an estimate of taxes payable in 1972.
- D. Columbia's rate is a combination of the city rate as reported by the State of South Carolina and the county and school tax rate as reported in Prentice-Hall as assessed in 1970.

PROPERTY TAX LIABILITY ESTIMATES BORNE BY HOMES
IN LARGEST CITY WITHIN EACH STATE BY CITY AND BY MARKET VALUE

Table XII.

State	City	\$10,000 Market Value	Rank	\$20,000 Market Value	Rank	\$25,000 Market Value	Rank	\$30,000 Market Value	Rank	\$40,000 Market Value	Rank	\$50,000 Market Value	Rank
AL	Birmingham	\$ 97.29	44	\$ 207.58	46	\$ 262.72	46	\$ 317.87	46	\$ 428.16	46	\$ 538.45	46
AK	Anchorage	177.05	32	354.09	34	442.62	34	531.14	34	708.19	30	885.23	30
AZ	Phoenix	242.10	23	484.20	23	605.25	25	726.30	25	968.40	25	1,210.50	25
AR	Little Rock	126.90	43	253.79	45	317.24	45	380.69	45	507.58	45	634.48	45
CA	Los Angeles	159.53	36	416.33	30	544.74	28	673.14	28	929.94	26	1,186.75	26
CO	Denver	243.02	22	486.04	22	607.55	24	729.06	24	972.08	24	1,215.10	24
CT	Hartford	445.88	4	891.76	4	1,114.70	4	1,337.64	4	1,783.52	4	2,229.10	4
DE	Wilmington	155.25	38	310.51	40	388.14	41	465.76	42	621.02	42	776.27	42
DC	Washington	173.76	33	347.52	35	434.40	35	521.28	35	695.04	37	868.80	37
FL	Miami	151.20	40	474.23	24	635.75	21	797.26	20	1,120.29	18	1,443.33	16
GA	Atlanta	82.01	47	298.22	42	406.32	38	514.43	37	730.64	33	946.85	32
HI	Honolulu	-0-	51	89.90	51	150.80	51	211.69	51	333.49	49	455.28	48
ID	Boise	208.35	27	416.71	29	520.88	30	625.06	30	833.41	30	1,041.77	30
IL	Chicago	276.48	17	552.96	17	691.20	17	869.44	17	1,165.92	19	1,482.40	19
IN	Indianapolis	375.62	6	751.24	6	939.06	6	1,126.87	6	1,502.49	7	1,878.11	7
IA	Des Moines	331.98	9	726.47	7	923.71	7	1,120.95	7	1,515.43	5	1,909.92	5
KS	Wichita	255.43	20	510.86	20	638.58	20	766.30	22	1,021.73	22	1,277.16	22
KY	Louisville	139.83	42	279.66	44	349.58	44	419.50	44	559.33	44	699.16	44
LA	New Orleans	12.03	50	116.45	50	168.81	50	221.08	50	325.60	50	429.13	50
ME	Portland	353.43	7	706.85	8	883.56	8	1,060.28	8	1,413.70	8	1,767.13	8
MD	Baltimore	347.47	8	694.94	9	868.67	9	1,042.40	9	1,389.87	9	1,737.74	9
MA	Boston	553.50	2	1,107.60	2	1,384.50	2	1,661.40	2	2,215.20	2	2,769.00	2
MI	Detroit	243.58	21	487.16	21	608.95	23	730.74	23	974.31	23	1,217.89	23
MN	Minneapolis	186.75	29	455.31	25	611.96	22	828.66	18	1,256.05	12	1,683.44	11
MS	Jackson	140.00	41	325.00	37	425.00	36	525.00	35	725.00	34	925.00	34

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PROPERTY TAX LIABILITY ESTIMATES BORNE BY HOMES
IN LARGEST CITY WITHIN EACH STATE BY CITY AND BY MARKET VALUE

Table XII. (continued)

State	City	\$10,000 Market Value	Rank	\$20,000 Market Value	Rank	\$25,000 Market Value	Rank	\$30,000 Market Value	Rank	\$40,000 Market Value	Rank	\$50,000 Market Value	Rank
MO	St. Louis	\$ 224.80	25	\$ 449.60	27	\$ 562.00	27	\$ 674.40	27	\$ 899.20	28	\$1,124.00	28
MT	Billings	272.30	18	544.61	18	680.76	18	816.91	19	1,089.22	20	1,361.52	20
NB	Omaha	315.73	11	658.91	10	830.50	10	1,002.09	10	1,315.27	10	1,688.45	10
NV	Las Vegas	152.50	39	305.00	41	381.25	42	457.50	43	610.00	43	762.50	43
NH	Manchester	377.15	5	754.30	5	942.80	5	1,131.45	5	1,508.60	6	1,885.75	6
NJ	Newark	754.13	1	1,508.25	1	1,885.31	1	2,262.38	1	3,016.50	1	3,770.63	1
NM	Albuquerque	83.09	46	178.69	47	226.49	47	274.28	47	369.88	47	465.47	47
NY	New York	286.56	15	573.12	15	716.40	15	859.68	15	1,116.24	16	1,432.80	17
NC	Charlotte	156.16	37	312.32	39	390.10	40	468.18	41	624.04	41	780.80	41
ND	Fargo	290.22	14	580.45	14	725.56	14	870.67	14	1,160.90	15	1,451.12	15
OH	Cleveland	212.68	26	425.35	28	531.69	29	638.03	29	850.70	29	1,063.38	29
OK	Oklahoma City	95.00	45	285.00	43	380.00	43	475.00	40	605.00	38	855.00	38
OR	Portland	261.44	19	522.88	19	653.60	19	784.32	21	1,045.76	21	1,307.20	21
PA	Philadelphia	270.88	13	541.75	13	727.19	13	872.63	13	1,163.50	14	1,454.38	14
RI	Providence	328.80	10	657.60	11	822.00	11	986.40	11	1,315.20	11	1,644.00	12
SC	Columbia	185.09	30	370.18	32	462.73	32	555.27	32	740.36	32	925.45	33
SD	Sioux Falls	282.33	16	564.66	16	705.82	16	846.98	16	1,129.31	17	1,411.64	18
TN	Memphis	226.04	24	452.09	26	565.11	26	678.13	26	904.18	27	1,139.22	27
TX	Houston	36.50	49	137.81	49	180.46	49	232.11	48	310.42	48	411.72	49
UT	Salt Lake City	180.06	31	360.13	33	450.16	33	540.19	33	720.26	35	900.32	35
VT	Burlington	308.15	12	616.29	12	770.41	12	924.44	12	1,232.58	13	1,540.73	13
VA	Norfolk	202.50	28	405.00	1	506.25	31	607.50	31	810.00	31	1,012.50	31
WA	Seattle	164.84	34	329.69	36	412.11	37	494.53	38	659.38	39	824.22	39
WV	Huntington	76.33	48	152.66	48	190.82	48	239.00	49	305.33	51	381.66	51
WI	Milwaukee	448.30	3	896.60	3	1,120.76	3	1,344.91	3	1,723.21	3	2,141.51	3
WY	Cheyenne	159.92	35	319.83	38	399.79	39	479.75	39	639.67	40	799.59	40

PROPERTY TAX ESTIMATES BY CITY RANK
FOR HOMES OF \$10,000 MARKET VALUE

Table XIII.

<u>City</u>	<u>Tax Due</u>	<u>Rank</u>
Newark, NJ	754.13	1
Boston, MA	553.50	2
Milwaukee, WI	448.30	3
Hartford, CT	445.88	4
Manchester, NH	377.15	5
Indianapolis, IN	375.62	6
Portland, ME	353.43	7
Baltimore, MD	347.47	8
Des Moines, IA	331.98	9
Providence, RI	328.80	10
Omaha, NE	315.73	11
Burlington, VT	308.15	12
Philadelphia, PA	290.88	13
Fargo, ND	290.22	14
New York, NY	286.56	15
Sioux Falls, SD	282.33	16
Chicago, IL	276.48	17
Billings, MT	272.30	18
Portland, OR	261.44	19
Wichita, KS	255.43	20
Detroit, MI	243.58	21
Denver, CO	243.02	22
Phoenix, AZ	242.10	23
Memphis, TN	226.04	24
St. Louis, MO	224.80	25
Cleveland, OH	212.68	26
Boise, ID	208.35	27
Norfolk, VA	202.50	28
<u>Minneapolis, MN</u>	<u>186.75</u>	<u>29</u>
Columbia, SC	185.09	30
Salt Lake City, UT	180.06	31
Anchorage, AK	177.05	32
Washington, DC	173.76	33
Seattle, WA	164.84	34
Cheyenne, WY	159.92	35
Los Angeles, CA	159.53	36
Charlotte, NC	156.16	37
Wilmington, DE	155.25	38
Las Vegas, NV	152.50	39
Miami, FL	151.20	40
Jackson, MS	140.00	41
Louisville, KY	139.83	42
Little Rock, AR	126.90	43
Birmingham, AL	97.29	44
Oklahoma City, OK	95.00	45
Albuquerque, NM	83.09	46
Atlanta, GA	82.01	47
Huntington, WV	76.33	48
Houston, TX	36.50	49
New Orleans, LA	12.03	50
Honolulu, HI	-0-	51

PROPERTY TAX ESTIMATES BY CITY RANK
FOR HOMES OF \$20,000 MARKET VALUE

Table XIV.

<u>City</u>	<u>Tax Due</u>	<u>Rank</u>
Newark, NJ	1,508.25	1
Boston, MA	1,107.60	2
Milwaukee, WI	896.60	3
Hartford, CT	891.76	4
Manchester, NH	754.30	5
Indianapolis, IN	751.24	6
Des Moines, IA	726.47	7
Portland, ME	706.85	8
Baltimore, MD	694.94	9
Omaha, NB	658.91	10
Providence, RI	657.60	11
Burlington, VT	616.29	12
Philadelphia, PA	581.75	13
Fargo, ND	580.45	14
New York, NY	573.12	15
Sioux Falls, SD	564.66	16
Chicago, IL	552.96	17
Billings, MT	544.61	18
Portland, OR	522.88	19
Nichita, KS	510.86	20
Detroit, MI	487.16	21
Denver, CO	486.04	22
Phoenix, AZ	484.20	23
Miami, FL	474.23	24
Minneapolis, MN	455.31	25
Memphis, TN	452.09	26
St. Louis, MO	449.60	27
Cleveland, OH	425.35	28
Boise, ID	416.71	29
Los Angeles, CA	416.33	30
Norfolk, VA	405.00	31
Columbia, SC	370.18	32
Salt Lake City, UT	360.13	33
Anchorage, AK	354.09	34
Washington, DC	347.52	35
Seattle, WA	329.69	36
Jackson, MS	325.00	37
Cheyenne, WY	319.83	38
Charlotte, NC	312.32	39
Wilmington, DE	310.51	40
Las Vegas, NV	305.00	41
Atlanta, GA	298.22	42
Oklahoma City, OK	285.00	43
Louisville, KY	279.66	44
Little Rock, AR	253.79	45
Birmingham, AL	207.58	46
Albuquerque, NM	178.69	47
Huntington, WV	152.66	48
Houston, TX	137.81	49
New Orleans, LA	116.55	50
Honolulu, HI	89.90	51

PROPERTY TAX ESTIMATES BY CITY RANK
FOR HOMES OF \$25,000 MARKET VALUE

Table XV.

<u>City</u>	<u>Tax Due</u>	<u>Rank</u>
Newark, NJ	1,885.31	1
Boston, MA	1,384.50	2
Milwaukee, WI	1,120.76	3
Hartford, CT	1,114.70	4
Manchester, NH	942.88	5
Indianapolis, IN	939.06	6
Des Moines, IA	923.71	7
Portland, ME	883.56	8
Baltimore, MD	868.67	9
Omaha, NB	830.50	10
Providence, RI	822.00	11
Burlington, VT	770.41	12
Philadelphia, PA	727.19	13
Fargo, ND	725.56	14
New York, NY	716.40	15
Sioux Falls, SD	705.82	16
Chicago, IL	691.20	17
Billings, MT	680.76	18
Portland, OR	653.60	19
Wichita, KS	638.58	20
Miami, FL	635.75	21
Minneapolis, MN	614.96	22
Detroit, MI	608.95	23
Denver, CO	607.55	24
Phoenix, AZ	605.25	25
Memphis, TN	565.11	26
St. Louis, MO	562.00	27
Los Angeles, CA	544.74	28
Cleveland, OH	531.69	29
Boise, ID	520.88	30
Norfolk, VA	506.25	31
Columbia, SC	462.73	32
Salt Lake City, UT	450.16	33
Anchorage, AK	442.62	34
Washington, DC	434.40	35
Jackson, MS	425.00	36
Seattle, WA	412.11	37
Atlanta, GA	406.32	38
Cheyenne, WY	399.79	39
Charlotte, NC	390.40	40
Wilmington, DE	388.14	41
Las Vegas, NV	381.25	42
Oklahoma City, OK	380.00	43
Louisville, KY	349.58	44
Little Rock, AR	317.24	45
Birmingham, AL	262.72	46
Albuquerque, NM	226.49	47
Huntington, WV	190.82	48
Houston, TX	188.46	49
New Orleans, LA	168.81	50
Honolulu, HI	150.80	51

PROPERTY TAX ESTIMATES BY CITY RANK
FOR HOMES OF \$30,000 MARKET VALUE

Table XVI.

<u>City</u>	<u>Tax Due</u>	<u>Rank</u>
Newark, NJ	2,262.38	1
Boston, MA	1,661.40	2
Milwaukee, WI	1,344.91	3
Hartford, CT	1,337.64	4
Manchester, NH	1,131.45	5
Indianapolis, IN	1,126.87	6
Des Moines, IA	1,120.95	7
Portland, ME	1,060.28	8
Baltimore, MD	1,042.40	9
Omaha, NB	1,002.09	10
Providence, RI	986.40	11
Burlington, VT	924.44	12
Philadelphia, PA	872.63	13
Fargo, ND	870.67	14
New York, NY	859.68	15
Sioux Falls, SD	846.90	16
Chicago, IL	829.44	17
<u>Minneapolis, MN</u>	<u>828.66</u>	<u>18</u>
Billings, MT	816.91	19
Miami, FL	797.26	20
Portland, OR	784.32	21
Wichita, KS	766.30	22
Detroit, MI	730.74	23
Denver, CO	729.06	24
Phoenix, AZ	726.30	25
Memphis, TN	678.13	26
St. Louis, MO	674.40	27
Los Angeles, CA	673.14	28
Cleveland, OH	638.03	29
Boise, ID	625.06	30
Norfolk, VA	607.50	31
Columbia, SC	555.27	32
Salt Lake City, UT	540.19	33
Anchorage, AK	531.44	34
Jackson, MS	525.00	35
Washington, DC	521.28	36
Atlanta, GA	514.43	37
Seattle, WA	494.53	38
Cheyenne, WY	479.75	39
Oklahoma City, OK	475.00	40
Charlotte, NC	468.48	41
Wilmington, DE	465.76	42
Las Vegas, NV	457.50	43
Louisville, KY	419.50	44
Little Rock, AR	380.69	45
Birmingham, AL	317.87	46
Albuquerque, NM	274.28	47
Houston, TX	239.11	48
Huntington, WV	229.00	49
New Orleans, LA	221.08	50
Honolulu, HI	211.69	51

PROPERTY TAX ESTIMATES BY CITY RANK
FOR HOMES OF \$40,000 MARKET VALUE

Table XVII.

<u>City</u>	<u>Tax Due</u>	<u>Rank</u>
Newark, NJ	3,016.50	1
Boston, MA	2,215.20	2
Milwaukee, WI	1,793.21	3
Hartford, CT	1,783.52	4
Des Moines, IA	1,515.43	5
Manchester, NH	1,508.60	6
Indianapolis, IN	1,502.49	7
Portland, ME	1,413.70	8
Baltimore, MD	1,389.87	9
Omaha, NB	1,345.27	10
Providence, RI	1,315.20	11
Minneapolis, MN	1,256.05	12
Burlington, VT	1,232.58	13
Philadelphia, PA	1,163.50	14
Fargo, ND	1,160.90	15
New York, NY	1,146.24	16
Sioux Falls, SD	1,129.31	17
Miami, FL	1,120.29	18
Chicago, IL	1,105.92	19
Billings, MT	1,089.22	20
Portland, OR	1,045.76	21
Wichita, KS	1,021.73	22
Detroit, MI	974.31	23
Denver, CO	972.08	24
Phoenix, AZ	968.10	25
Los Angeles, CA	929.94	26
Memphis, TN	904.18	27
St. Louis, MO	899.20	28
Cleveland, OH	850.70	29
Boise, ID	833.41	30
Norfolk, VA	810.00	31
Columbia, SC	740.36	32
Atlanta, GA	730.64	33
Jackson, MS	725.00	34
Salt Lake City, UT	720.26	35
Anchorage, AK	708.19	36
Washington, DC	695.04	37
Oklahoma City, OK	665.00	38
Seattle, WA	659.38	39
Cheyenne, WY	639.67	40
Charlotte, NC	624.04	41
Wilmington, DE	621.02	42
Las Vegas, NV	610.00	43
Louisville, KY	559.33	44
Little Rock, AR	507.58	45
Birmingham, AL	428.16	46
Albuquerque, NM	357.38	47
Houston, TX	340.42	48
Honolulu, HI	333.49	49
New Orleans, LA	325.60	50
Huntington, WV	305.33	51

PROPERTY TAX ESTIMATES BY CITY RANK
FOR HOMES OF \$50,000 MARKET VALUE

Table XVIII.

<u>City</u>	<u>Tax Due</u>	<u>Rank</u>
Newark, NJ	3,770.63	1
Boston, MA	2,769.00	2
Milwaukee, WI	2,241.51	3
Hartford, CT	2,229.40	4
Des Moines, IA	1,909.92	5
Manchester, NH	1,885.75	6
Indianapolis, IN	1,878.11	7
Portland, ME	1,767.13	8
Baltimore, MD	1,737.34	9
Omaha, NB	1,688.45	10
Minneapolis, MN	1,683.44	11
Providence, RI	1,614.00	12
Burlington, VT	1,540.73	13
Philadelphia, PA	1,454.38	14
Fargo, ND	1,451.12	15
Miami, FL	1,443.33	16
New York, NY	1,432.80	17
Sioux Falls, SD	1,416.64	18
Chicago, IL	1,382.40	19
Billings, MT	1,362.52	20
Portland, OR	1,307.20	21
Wichita, KS	1,277.16	22
Detroit, MI	1,217.89	23
Denver, CO	1,215.10	24
Phoenix, AZ	1,210.50	25
Los Angeles, CA	1,186.75	26
Memphis, TN	1,130.22	27
St. Louis, MO	1,124.00	28
Cleveland, OH	1,063.38	29
Boise, ID	1,041.77	30
Norfolk, VA	1,012.50	31
Atlanta, GA	946.85	32
Columbia, SC	925.45	33
Jackson, MS	925.00	34
Salt Lake City, UT	900.32	35
Anchorage, AK	885.23	36
Washington, DC	868.80	37
Oklahoma City, OK	855.00	38
Seattle, WA	824.22	39
Cheyenne, WY	799.59	40
Charlotte, NC	780.80	41
Wilmington, DE	776.27	42
Las Vegas, NV	762.50	43
Louisville, KY	699.16	44
Little Rock, AR	634.48	45
Birmingham, AL	538.45	46
Albuquerque, NM	465.47	47
Honolulu, HI	455.28	48
Houston, TX	441.72	49
New Orleans, LA	430.13	50
Huntington, WV	381.66	51

CITY PROPERTY TAX ESTIMATES AS A
PERCENTAGE OF MARKET VALUE (EFFECTIVE RATES)

Table XIX.

State	City	<u>\$10,000 Market Value</u>	<u>\$20,000 Market Value</u>	<u>\$25,000 Market Value</u>	<u>\$30,000 Market Value</u>	<u>\$40,000 Market Value</u>	<u>\$50,000 Market Value</u>
AL	Birmingham	.97%	1.04%	1.05%	1.06%	1.07%	1.08%
AK	Anchorage	1.77	1.77	1.77	1.77	1.77	1.77
AZ	Phoenix	2.42	2.42	2.42	2.42	2.42	2.42
AR	Little Rock	1.27	1.27	1.27	1.27	1.27	1.27
CA	Los Angeles	1.60	2.08	2.18	2.24	2.32	2.37
CO	Denver	2.43	2.43	2.43	2.43	2.43	2.43
CT	Hartford	4.46	4.46	4.46	4.46	4.46	4.46
DE	Wilmington	1.55	1.55	1.55	1.55	1.55	1.55
DC	Washington	1.74	1.74	1.74	1.74	1.74	1.74
FL	Miami	1.51	2.37	2.54	2.66	2.80	2.89
GA	Atlanta	.82	1.49	1.63	1.71	1.83	1.89
HI	Honolulu	-0-	.45	.60	.71	.83	.91
ID	Boise	2.08	2.08	2.08	2.08	2.08	2.08
IL	Chicago	2.76	2.76	2.76	2.76	2.76	2.76
IN	Indianapolis	3.76	3.76	3.76	3.76	3.76	3.76
IA	Des Moines	3.32	3.63	3.69	3.74	3.79	3.82
KS	Wichita	2.55	2.55	2.55	2.55	2.55	2.55
KY	Louisville	1.40	1.40	1.40	1.40	1.40	1.40
LA	New Orleans	.12	.58	.68	.74	.81	.86
ME	Portland	3.53	3.53	3.53	3.53	3.53	3.53
MD	Baltimore	3.47	3.47	3.47	3.47	3.47	3.47
MA	Boston	5.54	5.54	5.54	5.54	5.54	5.54
MI	Detroit	2.44	2.44	2.44	2.44	2.44	2.44
MN	Minneapolis	1.87	2.28	2.46	2.76	3.14	3.37
MS	Jackson	1.40	1.63	1.70	1.75	1.81	1.85

CITY PROPERTY TAX ESTIMATES AS A
PERCENTAGE OF MARKET VALUE (EFFECTIVE RATES)

Table XIX. (continued)

State	City	\$10,000 Market Value	\$20,000 Market Value	\$25,000 Market Value	\$30,000 Market Value	\$40,000 Market Value	\$50,000 Market Value
MO	St. Louis	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%
MT	Billings	2.72	2.72	2.72	2.72	2.72	2.72
NB	Omaha	3.16	3.29	3.32	3.34	3.36	3.38
NV	Las Vegas	1.53	1.53	1.53	1.53	1.53	1.53
NH	Manchester	3.77	3.77	3.77	3.77	3.77	3.77
NJ	Newark	7.54	7.54	7.54	7.54	7.54	7.54
NM	Albuquerque	.83	.89	.91	.91	.92	.93
NY	New York	2.87	2.87	2.87	2.87	2.87	2.87
NC	Charlotte	1.56	1.56	1.56	1.56	1.56	1.56
ND	Fargo	2.90	2.90	2.90	2.90	2.90	2.90
OH	Cleveland	2.13	2.13	2.13	2.13	2.13	2.13
OK	Oklahoma City	.95	1.43	1.52	1.58	1.66	1.71
OR	Portland	2.61	2.61	2.61	2.61	2.61	2.61
PA	Philadelphia	2.91	2.91	2.91	2.91	2.91	2.91
RI	Providence	3.29	3.29	3.29	3.29	3.29	3.29
SC	Columbia	1.85	1.85	1.85	1.85	1.85	1.85
SD	Sioux Falls	2.82	2.82	2.82	2.82	2.82	2.82
TN	Memphis	2.26	2.26	2.26	2.26	2.26	2.26
TX	Houston	.37	.69	.75	.80	.85	.88
UT	Salt Lake City	1.80	1.80	1.80	1.80	1.80	1.80
VT	Burlington	3.08	3.08	3.08	3.08	3.08	3.08
VA	Norfolk	2.03	2.03	2.03	2.03	2.03	2.03
WA	Seattle	1.65	1.65	1.65	1.65	1.65	1.65
WV	Huntington	.76	.76	.76	.76	.76	.76
WI	Milwaukee	4.48	4.48	4.48	4.48	4.48	4.48
WY	Cheyenne	1.60	1.60	1.60	1.60	1.60	1.60

Part III: INFORMATION APPLICABLE TO BOTH STATES AND CITIES

STATUTORY RATIOS BY STATE

Table XX.

<u>State</u>	<u>Ratio of Assessment</u>	
Alabama	30%	
Alaska	100	
Arizona	18	(1)
Arkansas	20	
California	25	
Colorado	30	
Connecticut	up to 100	
Delaware	100	
Dist./Columbia	100	
Florida	100	
Georgia	40	
Hawaii	70	
Idaho	20	
Illinois	50	
Indiana	33 1/3	
Iowa	27	
Kansas	30	
Kentucky	100	
Louisiana	not below 25	
Maine	100	(2)
Maryland	100	
Massachusetts	100	
Michigan	50	
Minnesota*	33 1/3	(3)
Mississippi	100	
Missouri'	100	(4)
Montana**	40	(5)
Nebraska	35	
Nevada	35	
New Hampshire	100	
New Jersey	20-100	(6)
New Mexico	100	(7)
New York	100	
North Carolina		(8)
North Dakota***	100	
Ohio	35	(9)
Oklahoma	35	
Oregon	100	
Pennsylvania	100	(10)
Rhode Island	up to 100	(11)

STATUTORY RATIOS BY STATE

Table XX. (continued)

<u>State</u>	<u>Ratio of Assessment</u>
South Carolina	100%
South Dakota	60 (12)
Tennessee	40 (13)
Texas	100
Utah	30
Vermont ****	50
Virginia	100
Washington	50
West Virginia	50-100
Wisconsin	100
Wyoming	25 (14)

- * Minnesota: The ratio given relates market value to adjusted market value. The taxable value against which the rate is applied is found by taking 25% of the first \$4,000 adjusted market value and 40% of the amount over \$4,000.
- ** Montana: The ratio given is an estimate of the relationship between market value and adjusted market value. The taxable value against which the rate is applied is 30% of the adjusted market value.
- *** North Dakota: The ratio given relates market value to adjusted market value. Fifty percent (50%) of the adjusted market value is the taxable value.
- **** Vermont: The ratio given relates market value to adjusted market value. One percent (1%) of the adjusted market value is the taxable value.

STATUTORY RATIOS - FOOTNOTES

Table XX. (continued)

1. Class 4 property.
2. "Just value."
3. Goal.
4. Missouri Tax Commission suggests not less than 30%.
5. Approximate ratio for city and town lots and urban and rural improvements. This ratio is not statutory. The statutory ratio, 30% for residential property, is the percentage of assessed (adjusted market) value against which the mill levy is applied.
6. Ratio to be used is at the discretion of the County Board. If not acted on by the Board, ratio is automatically set at 50%.
7. 33 1/3 is suggested minimum.
8. Uniform percentage determined locally. Most counties are at 50% or 60%. The state on the average has chosen 50%; Charlotte has chosen 60%.
9. Ratio relates to taxable value as defined by Board of Tax Appeals, effective December 28, 1971.
10. In 4th to 6th class cities, real property must be assessed at a predetermined ratio not greater than 75%.
11. Determined locally.
12. Property is assessed at full and true value but only 60% is taxable.
13. 40% to be attained by January 1, 1972. Fifty percent to be attained January 1, 1973.
14. Goal.

HOMESTEAD EXEMPTION PROVISIONS AS APPLIED
TO PROPERTY TAX LIABILITY CALCULATIONS

Table XXI.

- Alabama: The homestead exemption is applicable only against the state tax (6.5 mills) on \$2,000 of assessed value.
- California: There is a \$750 exemption on assessed value of the principle residence.
- Florida: Five thousand dollars (\$5,000) is the allowable exemption of assessed value except for assessment for special benefits.
- Georgia: The homestead exemption is \$2,000 taxable value times the operating (non-debt) mills. (It is exclusive of levy for bonded indebtedness.) The non-debt portion of the average state is 36.25 mills, and for the city of Atlanta it is 67.10 mills.
- Hawaii: The homestead exemption is \$8,000 on the assessed value.
- Iowa: Iowa's homestead exemption is 25 mills times the first \$2,500 assessed value to a maximum of \$62.50.
- Louisiana: The \$2,000 exemption on the assessed value is applicable against state, parish, and special levies, but not for city levies except in the Parish of Orleans. (The city of New Orleans is coextensive with the Parish of Orleans.) The statewide average city mill rate of 23.01 mills used in calculating the amount of exemption is an estimate based on data taken from Prentice-Hall for taxes payable in 1971.
- Minnesota: Thirty-five percent (35%) of the non-debt levy, to a maximum of \$250, is the credit allowed for homesteads existing from January 2. The state average non-debt levy is 250.07 mills; the non-debt levy for the City of Minneapolis is 291.59 mills. (Homesteads existing from June 1 are eligible for the credit up to a maximum of \$125; this was first effective for taxes payable in 1971.)
- Mississippi: Up to \$5,000 on the assessed value of a home (up to 160 acres) is exempt. Bonded indebtedness levies are not exempt. An average of 30 mills for the State and 35 mills for the City of Jackson are used as the bonded indebtedness portions of the respective total levies.
- Nebraska: Exemption applies to the first 25% of actual value of \$1,500 or less. Over \$1,500 of actual value, the exemption is 20% of the first \$4,000 of actual value. Actual value is assumed to equal the market value.

HOMESTEAD EXEMPTION PROVISIONS AS APPLIED
TO PROPERTY TAX LIABILITY CALCULATIONS

Table XXI. (continued)

- New Mexico: New Mexico's homestead credit consists of \$200 exemption on the assessed value.
- Oklahoma: The first \$1,000 of assessed value of a homestead is exempt.
- Oregon: Oregon has a new homeowner's property tax relief but at the present time there are no statistics available from which to make estimates of the amounts involved. The formula for determining the relief is based on the amount by which the property tax exceeds a prescribed percentage of the household income.
- Texas: Three thousand dollars (\$3,000) of the assessed taxable value of a residence homestead is exempted from state and county taxes. The statewide average county mill rate of 16.56 mills used in calculating the exemption is an estimate based on local tax rates listed in Prentice-Hall for taxes payable in 1972. For the city of Houston 21.60 mills is used as the county portion of the total levy. There is no state tax levy for general purposes.
- Vermont: Up to \$15,000 of fair market value is an allowable exemption for up to three years for new homes if voted upon at a town meeting. No exemption is included in the calculation of tax liability for Vermont.
- Wisconsin: Wisconsin's General Property Tax Relief applies to all real estate and personal property other than business inventories and livestock. The amount of credit to be received is based on the three preceding years' levies in excess over a given mill rate.
- Special Note: The "assessed value" equals the "adjusted market value" equals the "taxable value" unless otherwise stated.

DISCOUNTS FOR PROMPT PAYMENTS *

Table XXII.

State	Discount
Alabama	None
Alaska	None
Arizona	None
Arkansas	None
California	None
Colorado	None
Connecticut	No provision for discount in General Statutes. However, discounts may be allowed in certain municipalities by special acts or charters.
Delaware	No discount of taxes collected by county. Varying discounts are allowed in Dover, Milford, Newark, and New Castle. No discount is allowed in Wilmington.
Dist./Columbia	None
Florida	Taxes are due November 1. Discounts are as follows: Payment in November, 4%; December, 3%; January, 2%; February, 1%. These discounts apply only to county, school and special levy taxes that are collected by the county. Discounts on city taxes vary.
Georgia	None
Hawaii	None
Idaho	None
Illinois	None
Indiana	None
Iowa	None
Kansas	None
Kentucky	State, county and district taxes are due and payable September 15. If paid by November 1, they are intitled to a 2% discount.
Louisiana	None
Maine	Any city or town may grant a discount not to exceed 10% to those who pay taxes voluntarily within the stated periods. Very few cities offer a discount. Portland does not offer it.

DISCOUNTS FOR PROMPT PAYMENTS*

Table XXII. (continued)

<u>State</u>	<u>Discount</u>
Maryland	Except in a few cases, counties, cities, towns, or taxing districts, are allowed to fix a discount. Baltimore County grants a 2% discount in July, 1% in August, and none in September. Baltimore City grants a 1% discount if taxes are paid before the end of July and 1/2% if paid before the end of August.
Massachusetts	None
Michigan	No discount is allowed for early payment of taxes assessed under the general property tax law, general village act, or in fourth class cities. However, discounts on city taxes are allowed by some charters. There is no discount on Detroit's taxes.
Minnesota	None
Mississippi	None
Missouri	Discount of 1% and 2% is allowed in cities of the first and second class depending on the time of payment.
Montana	None
Nebraska	None
Nevada	None
New Hampshire	Allowance of discount is left to the discretion of each city and town, both as to amount and time limits. The practice varies in different places and from year to year. When the discount is granted it is so stated on the tax bill.
New Jersey	Governing body of each municipality may permit discounts prior to delinquency. Rate of discount may not exceed 6% per annum, or 1/2% per month. Payment must be at least 30 days before date on which installment would become delinquent.
New Mexico	None

DISCOUNTS FOR PROMPT PAYMENTS *

Table XXII. (continued)

State	Discount
New York	New York City allows a 2% discount on the second installment. Various counties also allow discounts.
North Carolina	Discounts are permissible. The governing body of any county or municipality has the authority to establish a schedule of discounts.
North Dakota	All taxes are due January 1. Realty taxes payable 1/2 before March 1 and 1/2 before October 15. A 5% discount is granted if taxes are paid in full before February 15. Discount applies in general to all real estate taxes.
Ohio	None
Oklahoma	None
Oregon	Discount is allowable on payments made on or before November 15 as follows: 3% if paid in full; 2% if three-quarters paid; 1% if half paid.
Pennsylvania	Discount varies with cities, boroughs, and townships. Philadelphia offers a 1% discount from the opening of the books (around January 25) until April 30. Applies only to real property.
Rhode Island	Cities and towns are authorized to give discounts, but in practice very few do.
South Carolina	No general statutory provision is made allowing discounts in all counties. The discount, if offered, does not include state levies. There is no discount in Richmond County, the county in which Columbia is located.
South Dakota	None
Tennessee	None

DISCOUNTS FOR PROMPT PAYMENTS*

Table XXII. (continued)

<u>State</u>	<u>Discount</u>
Texas	For prepayment of state taxes and taxes of its subdivisions the following discounts are allowed; 3% if paid 90 days before delinquency, 2% if paid 60 days before delinquency, 1% if paid 30 days before delinquency. This provision does not apply to city, town, independent school district, or special district taxes unless adopted by such governmental subdivision. When payment is made in installments, discount applies only to second half and first half must have been paid by November 30.
Utah	None
Vermont	Discount may be prescribed by municipalities but is not to exceed 1%.
Virginia	None
Washington	None
West Virginia	Discount of $2\frac{1}{2}\%$ is allowed on both installments for taxes paid on or before due date.
Wisconsin	None
Wyoming	None

* Discounts are not included in the calculation of the final tax liability.

ANALYSIS

The following analysis highlights certain results and also reveals problem areas. It is not intended that the analysis draw conclusions for the reader but that he formulate his own. Mention of states and cities is meant only for explanatory purposes and not as an opinionated point of view.

To illustrate the importance and problems of assessment ratios and taxation rates, the use of an analogy deems itself beneficial. The ratios and rates act as two complementing factors balancing the lever on a hypothetical tax fulcrum. A movement on one side without a compensating change in the other upsets the equilibrium. To continue the analogy, if two such operating systems were compared, one could not interchange the components, leaving the position of the fulcrum constant, and maintain the original balance. Changing the fulcrum's position to make the system balance would result in a tax change.

Statutory ratios, although set by law, do not exist in practice at the fixed percentage. Actual ratios are those ratios determined by use of sales ratio studies. Ratio studies reveal the actual status of the statutory ratios, but in themselves face many restrictions. The most inherent limitation is that they are only a sample of the many times the statutory ratios are used. They may also be influenced by the skill of the staff doing the study, available funds, supervision, and political biases. In theory, these factors do not exist, but in practice, they play a part.

In certain instances, the year of the ratio study and the year in which the tax is payable do not coincide. The general trend in ratios is that they remain within a relatively constant range over the years. Thus, divergent time schedules should not markedly affect the validity of the ratios used in calculating the final tax liabilities.

A substantial variation in the actual ratio of assessment between two years generally is due to legislative measures that have changed the statutory level of assessment. Such is the case of Oregon; their legal ratio was recently increased by four-fold, from 25% to 100%. Minnesota has changed their ratio of assessment goal from 33 1/3% to 100% for taxes levied in 1972, payable in 1973. Again, sales ratios studies will reveal the true state of affairs by determining the actual, in practice ratios.

Careful note should be made of four ratios: Minnesota, Montana, North Dakota, and Vermont. The ratios listed for these states are

actual ratios of assessment. However, a second ratio is applied to the adjusted market value to determine the taxable value. This is explained in more detail in the footnotes on ratios and rates for both the states and the cities.

The rate component of the tax fulcrum is as necessary as the ratio. Similar to the ratios, the rates of taxation usually do not vary substantially from one year to the next. Services expected and demanded by the public and new administrative procedures govern the increases and decreases in the rate of taxation. The end result is that the rate generally finds a point around which it stabilizes. Minor changes occur from year to year, but overall, the trend is much slower to change.

Large alterations in rates often are mirroring changes in ratios. As Minnesota makes the switch from a ratio of 33 1/3% to 100%, the mill levies will drop by approximately one-third.

The subject of statutory rates is somewhat misleading. Legal rates generally set limits only on non-debt levies. Levies for debt purposes greatly influence the total picture of rate levels. This portion of the levy for some states also influences the amount of homestead credit received by the taxpayers, such as in Georgia, Mississippi, and Minnesota.

A similar concept to ratio studies is "rate studies," although usually not labeled as such. Some states collect and coordinate extensive data regarding taxes in all their governmental subdivisions. This undoubtedly makes state-wide estimates of rates much easier to obtain and more reliable in these states than in others. State-wide average rates estimated from Prentice-Hall tend to be higher than those which might have been obtained had the states been able to provide this information. A tax rate estimated in this manner is inclined to be high because it is based only on local rates listed in the publication, rather than on all communities in the state.

The problem of "year levied" versus "year payable" increases the difficulty in making comparisons. The entire taxation procedure, from assessing to paying the bill, varies in length among the states. In some states, the process is completed within one calendar year. In others, taxes are levied one year and paid the following year. Throughout this study, the tax paid in 1972 was used as a constant reference. However, at the time of request for this information, numerous states did not know their levies for taxes payable in 1972. Thus, many amounts calculated were payable in 1971.

Careful note should be made of the differences in rates, ratios, and final tax liability between the largest city in each state and the state itself. The rank order of the city may or may not be similar to the position of the state for a home at a given market value. Examples may be found in which the ratio for both the state and the city is very similar and yet the rate for the city is almost

twice as large as that for the state, and also examples in which the rate is constant but the ratio doubles. The entire tax picture should be examined before comparing cities and states.

Within the limits of the definitions given in the methodology, tax exemptions are included in the calculations of the final tax. The provisions used either applied to all property owners in the state, such as the general property tax relief offered in Wisconsin, or to only those taxpayers distinguished from all others by virtue of owning and residing in their home. The variations in specific features offered by the states in homestead credits are numerous. The basis of exemption ranges from a set mill levy on the assessed value (adjusted market value) of the property to some particular aspect of the debt versus non-debt mills or tax dollars.

These exemptions fulfill their purpose by lowering the taxpayer's bill, and their effects can be quite noticeable. Hawaii shows one of the most outstanding effects of a homestead exemption and that is a zero dollar tax on a home with a market value of \$10,000. Florida also shows a strong effect of this type of tax break on the \$10,000 home. The tax is low at this point, increases considerably at the \$20,000 level, and subsequently proceeds at a less progressive rate of increase.

The effective rate of taxation, the final tax as a percentage of the market value, reflects a combination of the ratio, rate, and exemption, but does not include any deduction in tax due to prompt payment. The particular effective rate for a state or city may have a most unusual result if it was transported to another state or city with a different tax base. For example, if a high effective rate is applied to low property values, the result may approximate a low effective rate applied to high property values. Whether property values themselves are high or low, however, is a matter of great complexity and involves much more than can be handled within this study.

A very noticeable feature of the effective rate of taxation is its slope. The most influential factor appears to be the homestead credit. As a general rule of thumb, those states or cities revealing flat effective rates offer no homestead or other applicable exemptions. Conversely, those states or cities having some degree of slope to their effective rates do provide a form of tax relief. This second relationship is a progressive rate in that the effective rate of homes with lower market values is lower than that of homes in the higher priced range. That is, they receive a relatively larger tax break than a more expensive home.

Naturally, there are exceptions to the above stated generalizations. Wisconsin, for example, has an extremely flat effective rate and yet incorporated into this rate is a general property tax relief credit. In general, the dollar amount of a tax credit remains constant across all market values, thus, creating a progressive rate. In the case of Wisconsin, the credit increases with the market value. Another example of this type, but with some variation,

is the case of Mississippi. This state has a flat rate for the first four market values and then increases on the last two. This again is due to the particular nature of their exemption schedule which gives relief up to \$5,000 of adjusted market value (\$30,000 market value) home but excludes bonded indebtedness levies. Another modification of the general reasons for flat versus progressive effective rates is the rate that increases but so does the dollar amount of credit. Such is the case in Minnesota and Iowa. These last two states are examples of expandable credits up to set maximums.

As a last overview of property taxes, a table is included in this presentation which groups the states by one of eight regional areas. These areas are the same as those used by the U. S. Department of Commerce in issues of Survey of Current Business. Each area offers its own influential elements in molding the property tax. One evident difference is between the northeastern and southern states. Explanations of these regional differences range from public service expectations, buried in local history, to heavy reliance on other forms of taxation, such as severance taxes, which in effect give property tax relief to the average homeowner.

CLOSING COMMENTS

There is no need to state explicitly who is Number One, or Two, in property taxes just as there is no need to list the state or city that levies the lowest taxes. However, the necessity of focusing on the how's and why's of the results still remains.

The limitations of assumptions and the consistency of input data are reminders that any minor change could conceivably influence the final calculated tax liabilities enough to change the rank orders that have been presented. The rates and ratios, rank orders and dollar amounts are of more value if overlapping ranges and general trends are noted and explained in the light of all variables.

Revenue Estimates (Preliminary)
December 15, 1972

	Actual	Estimated					
	<u>FY 1972</u>	<u>FY 1973</u>	<u>FY 1974</u>	<u>FY 1975</u>	<u>FY 1976</u>	<u>FY 1977</u>	<u>FY 1978</u>
GENERAL FUND							
<u>Unrestricted Revenue - Non-North Slope:</u>							
Income, Excise, Business, Occupation Taxes	80,778.3	53,810.4	89,443.6	95,516.2	101,692.0	109,782.6	125,676.3
Oil & Gas Production Taxes	11,400.8	10,947.0	8,526.0	7,989.0	7,269.0	6,352.0	5,550.0
Oil & Gas Royalties	24,564.0	27,094.7	28,791.4	21,031.4	21,952.5	20,577.9	20,245.0
Miscellaneous Revenue	35,089.4	39,158.1	48,736.6	43,840.9	44,219.2	44,426.0	34,710.8
Total - Non-North Slope	<u>151,832.5</u>	<u>161,010.2</u>	<u>175,797.6</u>	<u>168,427.5</u>	<u>175,132.7</u>	<u>181,078.5</u>	<u>186,132.1</u>
<u>Unrestricted Revenue - North Slope:</u>							
Income, Excise, Business, Occupation Taxes:							
Individual Income Tax			6,125.6	10,770.8	10,566.7	3,267.0	238.2
Corporation Tax			148.8	223.2	260.4	1,744.4	11,241.4
Business Licenses			158.5	784.5	1,077.4	941.5	244.5
Excise and Occupation Taxes			1,211.2	1,477.1	998.9	101.0	
Sub-Total			<u>7,644.1</u>	<u>13,255.6</u>	<u>12,903.4</u>	<u>6,050.9</u>	<u>11,724.1</u>
Oil & Gas Production Taxes						81,503.0	142,384.0
Oil & Gas Royalties						52,734.5	149,554.4
Total - North Slope			<u>7,644.1</u>	<u>13,255.6</u>	<u>12,903.4</u>	<u>140,294.4</u>	<u>302,752.5</u>
Income on Investments	<u>67,333.4</u>	<u>52,447.8</u>	<u>45,248.3</u>	<u>33,805.9</u>	<u>21,411.9</u>	<u>10,511.7</u>	<u>8,464.2</u>
Grand Total	<u>219,165.9</u>	<u>213,458.0</u>	<u>228,690.0</u>	<u>215,489.0</u>	<u>209,448.0</u>	<u>331,974.6</u>	<u>498,409.8</u>

AGO 533318 +

Original sponsor: Rules Committee by
request of the Governor

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 CS FOR HOUSE BILL NO. 59

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 EIGHTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act providing for a state tax on property used in
7 connection with the production and transportation of
8 unrefined oil and gas and nonrenewable mineral
9 resources; and providing for an effective date."

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

11 * Section 1. In view of the economic and social impact on the state of
12 the production and transportation of oil and gas and other nonrenewable
13 mineral resources, and the resulting increase in the need and demand for
14 state services associated with increased population and economic development,
15 it is the purpose of this Act to provide revenue to the state to enable it
16 to meet the cost of increased state services.

17 * Sec. 2. AS 43 is amended by adding a new chapter to read:

18 CHAPTER 56. MINERAL RESOURCES PRODUCTION

19 AND TRANSPORTATION PROPERTY TAX.

20 Sec. 43.56.010. LEVY OF TAX. An annual tax of 20 mills is levied
21 each tax year beginning January 1, 1974, on the full and true value of
22 taxable real and tangible personal property used in the production and
23 transportation of unrefined oil and gas and nonrenewable mineral re-
24 sources; except that on property subject to tax under this chapter
25 located in a city or borough, the tax under this section shall be the
26 difference between the current year municipal tax levy and a 20-mill
27 levy on the full and true value of that property. With respect to a
28 facility used for part of a tax year in a manner as to render it taxable
29 under this chapter or partly so used for a full tax year, the value of

1 the facility taxable under this chapter shall be proportionate to the
2 employment. Property taxable under this chapter does not include
3 property used in the construction of facilities as distinguished from
4 the facilities themselves; however, with respect to pipelines and other
5 facilities taxable under this chapter which may be under construction
6 or awaiting construction, full and true value for each tax year shall be
7 measured by the costs incurred or accrued with respect to the facility
8 as of the assessment date.

9 Sec. 43.56.020. EXEMPTIONS. In addition to property excluded
10 under sec. 130(2) of this chapter, the following property is exempt
11 from the tax levied under this chapter:

12 (1) producing oil or gas leases;

13 (2) machinery, appliances and equipment used and around
14 a well producing oil or gas and actually used in the operation of a
15 well;

16 (3) oil and gas produced in the state upon which gross
17 production taxes are paid under ch. 55 of this title.

18 Sec. 43.56.030. LIMITATION ON LOCAL TAX LEVY. A city or borough
19 may levy an ad valorem tax on property subject to tax under this chapter
20 only at the same rate and on the same basis as tax is levied on other
21 real and personal property located within the city or borough. A city
22 or borough may levy a municipal property tax on real property or per-
23 sonal property subject to tax under sec. 10 of this chapter only if each
24 and every dollar of assessed value of real property or personal property
25 located in the city or borough is likewise taxed.

26 Sec. 43.56.040. ASSESSMENT. Assessment of property subject to the
27 tax levied under this chapter except taxes levied under sec. 30 of this
28 chapter shall be carried out by the state assessor substantially in
29 the manner provided in AS 29.53.060 - 29.53.160 for municipalities,

1 except that the state assessor shall function in place of the local
2 assessor, and the State Assessment Review Board shall function in the
3 place of the assembly or council sitting as a board of equalization.
4 For purposes of municipal taxes levied under sec. 30 of this chapter,
5 the property shall be assessed by the local assessor.

6 Sec. 43.56.050. STATE ASSESSMENT REVIEW BOARD. The governor shall
7 appoint at least five qualified persons to serve at his pleasure as the
8 State Assessment Review Board.

9 Sec. 43.56.060. PER DIEM AND EXPENSES. Members of the State
10 Assessment Review Board shall be compensated and are entitled to per
11 diem and expenses authorized by law for boards and commissions.

12 Sec. 43.56.070. POWERS AND DUTIES. The State Assessment Review
13 Board has the powers and duties with respect to assessment of property
14 taxable under this chapter of an assembly or council sitting as a
15 board of equalization.

16 Sec. 43.56.080. COLLECTION AND ENFORCEMENT. The tax levied in
17 this chapter is payable in full to the Department of Revenue on
18 September 30 of the tax year, except that the Department of Revenue may
19 by regulation provide for prepayment of taxes and payment by install-
20 ments. A penalty of ten per cent shall be added to delinquent taxes
21 and interest at the rate of eight per cent per annum shall accrue on
22 all unpaid taxes, excluding penalties, from the due date until paid in
23 full. Collection of the tax levied under this chapter shall be carried
24 out by the Department of Revenue substantially in the manner provided
25 in AS 29.53.200 - 29.53.390 except that the state is substituted for
26 references to cities and boroughs.

27 Sec. 43.56.090. LIEN FOR TAX. Notwithstanding any other provi-
28 sion of law, the tax levied under this chapter and interest and penalty
29 set out in sec. 80 of this chapter are liens upon the property subject

1 to tax under this chapter. The liens provided by this section are
2 prior and paramount to all other liens or encumbrances upon the same
3 property.

4 Sec. 43.56.100. FALSE STATEMENT. A person who knowingly makes
5 a false statement in a return required under this chapter with intent
6 to evade the taxation is guilty of a felony and upon conviction is
7 punishable by a fine of not more than \$5,000, or by imprisonment for
8 not more than five years, or by both, together with the costs of prose-
9 cution.

10 Sec. 43.56.110. DEPOSIT IN GENERAL FUND. The revenue from the
11 tax levied under this chapter shall be deposited in the general fund.

12 Sec. 43.56.120. DEFINITIONS. In this chapter "taxable real and
13 tangible personal property" means tank farms, tanker terminals,
14 gathering and transmission lines, and facilities associated with the
15 extraction, production and transportation of crude oil and natural gas
16 and nonrenewable mineral resources; the term includes otherwise taxable
17 property exempted from taxation under home rule ordinance or charter,
18 but does not include property exempt from taxation under the constitu-
19 tion and laws of the state or of the United States, or any subsurface
20 estate or property used in a consumer distribution system.

21 Sec. 43.56.160. REGULATIONS. The state assessor and the Depart-
22 ment of Revenue may adopt regulations as appropriate to carry out their
23 respective duties under this chapter.

24 * Sec. 3. This Act takes effect on the day after its passage and approval
25 or on the day it becomes law without approval.
26
27
28
29

Revenue Estimates (Preliminary)
December 15, 1972

	<u>Actual</u>	<u>Estimated</u>					
	<u>FY 1972</u>	<u>FY 1973</u>	<u>FY 1974</u>	<u>FY 1975</u>	<u>FY 1976</u>	<u>FY 1977</u>	<u>FY 1978</u>
GENERAL FUND							
<u>Unrestricted Revenue - Non-North Slope:</u>							
Income, Excise, Business, Occupation Taxes	80,778.3	83,810.4	89,443.6	95,516.2	101,692.0	109,782.6	125,676.3
Oil & Gas Production Taxes	11,400.8	10,947.0	8,826.0	7,989.0	7,269.0	6,352.0	5,550.0
Oil & Gas Royalties	24,564.0	27,094.7	28,791.4	21,031.4	21,952.5	20,577.9	20,245.0
Miscellaneous Revenue	35,039.4	39,158.1	48,736.6	43,840.9	44,219.2	44,426.0	34,710.8
Total - Non-North Slope	<u>151,832.5</u>	<u>161,010.2</u>	<u>175,797.6</u>	<u>168,427.5</u>	<u>175,132.7</u>	<u>181,078.5</u>	<u>186,132.1</u>
<u>Unrestricted Revenue - North Slope:</u>							
Income, Excise, Business, Occupation Taxes:							
Individual Income Tax			6,125.6	10,770.8	10,506.7	3,267.0	233.2
Corporation Tax			143.8	223.2	260.4	1,744.4	11,241.4
Business Licenses			158.5	784.5	1,077.4	941.5	244.5
Excise and Occupation Taxes			1,211.2	1,477.1	938.9	104.0	
Sub-Total			<u>7,644.1</u>	<u>13,255.6</u>	<u>12,903.4</u>	<u>6,056.9</u>	<u>11,724.1</u>
Oil & Gas Production Taxes						81,503.0	142,392.0
Oil & Gas Royalties						52,734.5	149,952.0
Total - North Slope			<u>7,644.1</u>	<u>13,255.6</u>	<u>12,903.4</u>	<u>140,294.4</u>	<u>303,762.5</u>
Income on Investments	<u>67,333.4</u>	<u>52,447.8</u>	<u>45,248.3</u>	<u>33,805.9</u>	<u>21,411.9</u>	<u>10,511.7</u>	<u>8,464.2</u>
Grand Total	<u>219,165.9</u>	<u>213,458.0</u>	<u>228,690.0</u>	<u>215,489.0</u>	<u>209,448.0</u>	<u>331,974.6</u>	<u>498,408.8</u>

Revenue Estimates (Preliminary)
December 15, 1972

	<u>Actual</u>	<u>Estimated</u>					
	<u>FY 1972</u>	<u>FY 1973</u>	<u>FY 1974</u>	<u>FY 1975</u>	<u>FY 1976</u>	<u>FY 1977</u>	<u>FY 1978</u>
GENERAL FUND							
<u>Unrestricted Revenue - Non-North Slope:</u>							
Income, Excise, Business, Occupation Taxes	80,778.3	83,810.4	89,443.6	95,516.2	101,692.0	109,782.6	125,676.3
Oil & Gas Production Taxes	11,400.8	10,947.0	8,826.0	7,989.0	7,269.0	6,352.0	5,550.0
Oil & Gas Royalties	24,564.0	27,094.7	28,791.4	21,031.4	21,952.5	20,517.9	20,245.0
Miscellaneous Revenue	35,089.4	39,158.1	48,736.6	43,840.9	44,219.2	44,426.0	34,710.8
Total - Non-North Slope	<u>151,832.5</u>	<u>161,010.2</u>	<u>175,797.6</u>	<u>168,427.5</u>	<u>175,132.7</u>	<u>181,078.5</u>	<u>186,182.1</u>
<u>Unrestricted Revenue - North Slope:</u>							
Income, Excise, Business, Occupation Taxes:							
Individual Income Tax			6,125.6	10,770.8	10,566.7	3,267.0	238.2
Corporation Tax			148.8	223.2	260.4	1,744.4	11,241.4
Business Licenses			158.5	784.5	1,077.4	941.5	244.5
Excise and Occupation Taxes			1,211.2	1,477.1	998.9	104.0	
Sub-Total			<u>7,644.1</u>	<u>13,255.6</u>	<u>12,903.4</u>	<u>6,056.9</u>	<u>11,724.1</u>
Oil & Gas Production Taxes						81,503.0	142,384.0
Oil & Gas Royalties						52,724.5	149,654.4
Total - North Slope			<u>7,644.1</u>	<u>13,255.6</u>	<u>12,903.4</u>	<u>140,227.4</u>	<u>303,762.5</u>
Income on Investments	<u>67,333.4</u>	<u>52,447.8</u>	<u>45,248.3</u>	<u>33,805.9</u>	<u>21,411.9</u>	<u>10,511.7</u>	<u>8,464.2</u>
Grand Total	<u>219,165.9</u>	<u>213,458.0</u>	<u>228,690.0</u>	<u>215,489.0</u>	<u>209,448.0</u>	<u>331,974.6</u>	<u>498,408.8</u>

Revenue Estimates (Preliminary)
December 15, 1972

	Actual	Estimated					
	FY 1972	FY 1973	FY 1974	FY 1975	FY 1976	FY 1977	FY 1978
GENERAL FUND							
<u>Unrestricted Revenue - Non-North Slope:</u>							
Income, Excise, Business, Occupation Taxes	80,778.3	93,810.4	89,443.6	95,516.2	101,692.0	109,782.6	125,676.3
Oil & Gas Production Taxes	11,400.8	10,947.0	8,826.0	7,989.0	7,269.0	6,352.0	5,550.0
Oil & Gas Royalties	24,564.0	27,094.7	28,791.4	21,031.4	21,952.5	20,517.9	20,245.0
Miscellaneous Revenue	35,089.4	39,158.4	48,736.6	43,840.9	44,219.2	44,426.0	34,710.8
Total - Non-North Slope	<u>151,832.5</u>	<u>161,010.2</u>	<u>175,797.6</u>	<u>168,427.5</u>	<u>175,132.7</u>	<u>181,078.5</u>	<u>186,132.1</u>
<u>Unrestricted Revenue - North Slope:</u>							
Income, Excise, Business, Occupation Taxes:							
Individual Income Tax			6,125.6	10,770.8	10,566.7	3,267.0	233.2
Corporation Tax			148.8	223.2	260.4	1,744.4	11,241.4
Business Licenses			158.5	784.5	1,077.4	941.5	244.5
Excise and Occupation Taxes			1,211.2	1,477.1	998.9	104.0	
Sub-Total			<u>7,644.1</u>	<u>13,255.6</u>	<u>12,903.4</u>	<u>6,056.9</u>	<u>11,724.1</u>
Oil & Gas Production Taxes						81,503.0	142,384.0
Oil & Gas Royalties						52,734.5	149,654.4
Total - North Slope			<u>7,644.1</u>	<u>13,255.6</u>	<u>12,903.4</u>	<u>140,294.4</u>	<u>303,762.5</u>
Income on Investments	<u>67,333.4</u>	<u>52,447.8</u>	<u>45,248.3</u>	<u>33,805.9</u>	<u>21,411.9</u>	<u>10,511.7</u>	<u>8,464.2</u>
Grand Total	<u>219,165.9</u>	<u>213,458.0</u>	<u>228,690.0</u>	<u>215,489.0</u>	<u>209,448.0</u>	<u>331,974.6</u>	<u>488,408.8</u>

Revenue Estimates (Preliminary)
December 15, 1972

	Actual	Estimated					
	FY 1972	FY 1973	FY 1974	FY 1975	FY 1976	FY 1977	FY 1978
GENERAL FUND							
<u>Unrestricted Revenue - Non-North Slope:</u>							
Income, Excise, Business, Occupation Taxes	80,778.3	83,810.4	89,443.6	95,516.2	101,692.0	109,782.6	125,676.3
Oil & Gas Production Taxes	11,400.8	10,947.0	8,526.0	7,989.0	7,269.0	6,352.0	5,550.0
Oil & Gas Royalties	24,564.0	27,094.7	28,791.4	21,031.4	21,952.5	20,517.9	20,245.0
Miscellaneous Revenue	35,039.4	39,158.1	48,736.6	43,840.9	44,219.2	44,426.0	34,710.8
Total - Non-North Slope	<u>151,832.5</u>	<u>161,010.2</u>	<u>175,797.6</u>	<u>168,427.5</u>	<u>175,132.7</u>	<u>181,078.5</u>	<u>186,182.1</u>
<u>Unrestricted Revenue - North Slope:</u>							
Income, Excise, Business, Occupation Taxes:							
Individual Income Tax			6,125.6	10,770.8	10,566.7	3,267.0	238.2
Corporation Tax			148.8	223.2	260.4	1,744.4	11,241.4
Business Licenses			158.5	784.5	1,077.4	941.5	244.5
Excise and Occupation Taxes			1,211.2	1,477.1	998.9	104.0	
Sub-Total			<u>7,644.1</u>	<u>13,255.6</u>	<u>12,903.4</u>	<u>6,056.9</u>	<u>11,724.1</u>
Oil & Gas Production Taxes						81,503.0	142,384.0
Oil & Gas Royalties						52,734.5	149,654.4
Total - North Slope			<u>7,644.1</u>	<u>13,255.6</u>	<u>12,903.4</u>	<u>140,237.4</u>	<u>303,762.5</u>
Income on Investments	<u>67,333.4</u>	<u>52,447.8</u>	<u>-45,248.3</u>	<u>33,805.9</u>	<u>21,411.9</u>	<u>10,511.7</u>	<u>8,464.2</u>
Grand Total	<u>219,165.9</u>	<u>213,458.0</u>	<u>228,690.0</u>	<u>215,489.0</u>	<u>209,448.0</u>	<u>331,974.6</u>	<u>498,408.8</u>

Revenue Estimates (Preliminary)
December 15, 1972

	Actual	Estimated					
	FY 1972	FY 1973	FY 1974	FY 1975	FY 1976	FY 1977	FY 1978
GENERAL FUND							
<u>Unrestricted Revenue - Non-North Slope:</u>							
Income, Excise, Business, Occupation Taxes	80,778.3	83,810.4	89,443.6	95,516.2	101,602.0	109,782.6	125,676.3
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Oil & Gas Royalties	24,564.0	27,094.7	28,791.4	21,081.4	21,952.5	20,517.9	20,245.0
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Total - Non-North Slope	<u>151,832.5</u>	<u>161,010.2</u>	<u>175,797.6</u>	<u>168,427.5</u>	<u>175,132.7</u>	<u>181,078.5</u>	<u>186,182.1</u>
<u>Unrestricted Revenue - North Slope:</u>							
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Excise and Occupation Taxes			1,211.2	1,477.1	908.9	101.0	
Sub-Total			<u>7,644.1</u>	<u>13,255.6</u>	<u>12,903.4</u>	<u>6,056.9</u>	<u>11,725.1</u>
Oil & Gas Production Taxes						81,503.0	142,384.0
Oil & Gas Royalties						52,724.5	149,654.4
Total - North Slope			<u>7,644.1</u>	<u>13,255.6</u>	<u>12,903.4</u>	<u>140,227.4</u>	<u>303,732.5</u>
Income on Investments	<u>67,333.4</u>	<u>52,447.8</u>	<u>45,248.3</u>	<u>33,805.9</u>	<u>21,411.9</u>	<u>10,511.7</u>	<u>8,464.2</u>
Grand Total	<u>219,165.9</u>	<u>213,458.0</u>	<u>228,690.0</u>	<u>215,489.0</u>	<u>209,448.0</u>	<u>331,974.6</u>	<u>498,408.8</u>

Revenue Estimates (Preliminary)
December 15, 1972

	Actual	Estimated					
	FY 1972	FY 1973	FY 1974	FY 1975	FY 1976	FY 1977	FY 1978
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<u>Unrestricted Revenue - North Slope:</u>							
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Sub-Total			<u>7,644.1</u>	<u>13,255.6</u>	<u>12,903.4</u>	<u>6,050.9</u>	<u>11,725.1</u>
Oil & Gas Production Taxes						81,503.0	142,384.0
Oil & Gas Royalties						52,734.5	140,654.1
Total - North Slope			<u>7,644.1</u>	<u>13,255.6</u>	<u>12,903.4</u>	<u>140,294.4</u>	<u>303,712.5</u>
Income on Investments	<u>67,333.4</u>	<u>52,447.8</u>	<u>45,248.3</u>	<u>33,805.9</u>	<u>21,411.9</u>	<u>10,511.7</u>	<u>8,464.2</u>
Grand Total	<u>219,165.9</u>	<u>213,458.0</u>	<u>228,690.0</u>	<u>215,489.0</u>	<u>209,448.0</u>	<u>331,974.6</u>	<u>498,408.8</u>

Revenue Estimates (Preliminary)
December 15, 1972

	Actual	Estimated					
	FY 1972	FY 1973	FY 1974	FY 1975	FY 1976	FY 1977	FY 1978
GENERAL FUND							
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Sub-Total			<u>7,644.1</u>	<u>13,255.6</u>	<u>12,903.4</u>	<u>6,056.9</u>	<u>11,724.1</u>
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Grand Total	<u>219,165.9</u>	<u>213,458.0</u>	<u>228,690.0</u>	<u>215,489.0</u>	<u>209,448.0</u>	<u>331,974.6</u>	<u>498,409.8</u>

Revenue Estimates (Preliminary)
December 15, 1972

	<u>Actual</u>	<u>Estimated</u>					
	<u>FY 1972</u>	<u>FY 1973</u>	<u>FY 1974</u>	<u>FY 1975</u>	<u>FY 1976</u>	<u>FY 1977</u>	<u>FY 1978</u>
GENERAL FUND							
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Excise and Occupation Taxes			1,211.2	1,477.1	908.9	104.0	
Sub-Total			<u>7,644.1</u>	<u>13,255.6</u>	<u>12,903.4</u>	<u>6,056.9</u>	<u>11,724.1</u>
Oil & Gas Production Taxes						81,503.0	142,384.0
Oil & Gas Royalties						52,734.5	149,654.4
Total - North Slope			<u>7,644.1</u>	<u>13,255.6</u>	<u>12,903.4</u>	<u>140,294.4</u>	<u>303,732.5</u>
Income on Investments	<u>67,333.4</u>	<u>52,447.8</u>	<u>45,248.3</u>	<u>33,805.9</u>	<u>21,411.9</u>	<u>10,511.7</u>	<u>8,464.2</u>
Grand Total	<u>219,165.9</u>	<u>213,458.0</u>	<u>228,690.0</u>	<u>215,489.0</u>	<u>209,448.0</u>	<u>331,974.6</u>	<u>498,409.8</u>

Revenue Estimates (Preliminary)
December 15, 1972

	Actual	Estimated					
	FY 1972	FY 1973	FY 1974	FY 1975	FY 1976	FY 1977	FY 1978
GENERAL FUND							
<u>Unrestricted Revenue - Non-North Slope:</u>							
Income, Excise, Business, Occupation Taxes	80,778.3	83,810.4	89,443.6	95,516.2	101,692.0	109,782.6	125,676.3
Oil & Gas Production Taxes	11,400.8	10,947.0	8,826.0	7,989.0	7,269.0	6,352.0	5,550.0
Oil & Gas Royalties	24,564.0	27,094.7	28,791.4	21,031.4	21,952.5	20,577.9	20,245.0
Miscellaneous Revenue	35,039.4	39,158.1	48,736.6	43,840.9	44,219.2	44,426.0	34,710.8
Total - Non-North Slope	<u>151,832.5</u>	<u>161,010.2</u>	<u>175,797.6</u>	<u>168,427.5</u>	<u>175,132.7</u>	<u>181,078.5</u>	<u>186,132.1</u>
<u>Unrestricted Revenue - North Slope:</u>							
Income, Excise, Business, Occupation Taxes:							
Individual Income Tax			6,125.6	10,770.8	10,566.7	3,267.0	238.2
Corporation Tax			148.8	223.2	260.4	1,744.4	11,241.4
Business Licenses			158.5	784.5	1,077.4	941.5	244.5
Excise and Occupation Taxes			1,211.2	1,477.1	998.9	104.0	
Sub-Total			<u>7,644.1</u>	<u>13,255.6</u>	<u>12,903.4</u>	<u>6,056.9</u>	<u>11,724.1</u>
Oil & Gas Production Taxes						81,503.0	142,384.0
Oil & Gas Royalties						52,734.5	149,654.4
Total - North Slope			<u>7,644.1</u>	<u>13,255.6</u>	<u>12,903.4</u>	<u>140,294.4</u>	<u>303,762.5</u>
Income on Investments	<u>67,333.4</u>	<u>52,447.8</u>	<u>45,248.3</u>	<u>33,805.9</u>	<u>21,411.9</u>	<u>10,511.7</u>	<u>8,464.2</u>
Grand Total	<u>219,165.9</u>	<u>213,458.0</u>	<u>228,690.0</u>	<u>215,489.0</u>	<u>209,448.0</u>	<u>331,974.6</u>	<u>498,403.8</u>

Revenue Estimates (Preliminary)
December 15, 1972

	Actual	Estimated					
	FY 1972	FY 1973	FY 1974	FY 1975	FY 1976	FY 1977	FY 1978
GENERAL FUND							
<u>Unrestricted Revenue - Non-North Slope:</u>							
Income, Excise, Business, Occupation Taxes	80,778.3	83,810.4	89,443.6	95,516.2	101,692.0	109,782.6	125,676.3
Oil & Gas Production Taxes	11,400.8	10,947.0	8,526.0	7,989.0	7,269.0	6,352.0	5,550.0
Oil & Gas Royalties	24,564.0	27,094.7	28,791.4	21,031.4	21,952.5	20,577.9	20,245.0
Miscellaneous Revenue	35,039.4	39,158.1	48,736.6	43,840.9	44,219.2	44,426.0	34,710.8
Total - Non-North Slope	<u>151,832.5</u>	<u>161,010.2</u>	<u>175,797.6</u>	<u>168,427.5</u>	<u>175,132.7</u>	<u>181,078.5</u>	<u>186,132.1</u>
<u>Unrestricted Revenue - North Slope:</u>							
Income, Excise, Business, Occupation Taxes:							
Individual Income Tax			6,125.6	10,770.8	10,566.7	3,267.0	238.2
Corporation Tax			148.8	223.2	260.4	1,744.4	11,241.4
Business Licenses			158.5	784.5	1,077.4	941.5	247.5
Excise and Occupation Taxes			1,211.2	1,477.1	998.9	104.0	
Sub-Total			<u>7,644.1</u>	<u>13,255.6</u>	<u>12,903.4</u>	<u>6,056.9</u>	<u>11,721.1</u>
Oil & Gas Production Taxes						81,503.0	142,387.0
Oil & Gas Royalties						52,734.5	149,654.4
Total - North Slope			<u>7,644.1</u>	<u>13,255.6</u>	<u>12,903.4</u>	<u>140,294.4</u>	<u>305,762.5</u>
Income on Investments	<u>67,333.4</u>	<u>52,447.8</u>	<u>45,248.3</u>	<u>33,805.9</u>	<u>21,411.9</u>	<u>10,511.7</u>	<u>3,464.2</u>
Grand Total	<u>219,165.9</u>	<u>213,458.0</u>	<u>228,690.0</u>	<u>215,439.0</u>	<u>209,448.0</u>	<u>331,974.6</u>	<u>498,403.8</u>

Revenue Estimates (Preliminary)
December 15, 1972

	Actual	Estimated					
	FY 1972	FY 1973	FY 1974	FY 1975	FY 1976	FY 1977	FY 1978
GENERAL FUND							
<u>Unrestricted Revenue - Non-North Slope:</u>							
Income, Excise, Business, Occupation Taxes	80,778.3	83,810.4	80,443.6	95,516.2	101,692.0	109,782.6	125,676.3
Oil & Gas Production Taxes	11,400.8	10,947.0	8,826.0	7,989.0	7,269.0	6,352.0	5,550.0
Oil & Gas Royalties	24,564.0	27,094.7	28,791.4	21,081.4	21,952.5	20,517.9	20,245.0
Miscellaneous Revenue	35,089.4	39,158.1	48,736.6	43,840.9	44,219.2	44,426.0	34,710.8
Total - Non-North Slope	<u>151,832.5</u>	<u>161,010.2</u>	<u>175,797.6</u>	<u>168,427.5</u>	<u>175,132.7</u>	<u>181,078.5</u>	<u>196,182.1</u>
<u>Unrestricted Revenue - North Slope:</u>							
Income, Excise, Business, Occupation Taxes:							
Individual Income Tax			6,125.6	10,770.3	10,566.7	3,267.0	233.2
Corporation Tax			148.8	223.2	260.4	1,744.4	11,241.4
Business Licenses			158.5	784.5	1,077.4	941.5	244.5
Excise and Occupation Taxes			<u>1,211.2</u>	<u>1,477.1</u>	<u>998.9</u>	<u>104.0</u>	
Sub-Total			<u>7,644.1</u>	<u>13,255.6</u>	<u>12,903.4</u>	<u>6,056.9</u>	<u>11,724.1</u>
Oil & Gas Production Taxes						81,503.0	142,384.0
Oil & Gas Royalties						<u>52,734.5</u>	<u>149,554.4</u>
Total - North Slope			<u>7,644.1</u>	<u>13,255.6</u>	<u>12,903.4</u>	<u>140,294.4</u>	<u>303,702.5</u>
Income on Investments	<u>67,333.4</u>	<u>52,447.8</u>	<u>45,248.3</u>	<u>33,805.9</u>	<u>21,411.9</u>	<u>10,511.7</u>	<u>8,464.2</u>
Grand Total	<u>219,165.9</u>	<u>213,458.0</u>	<u>228,690.0</u>	<u>215,489.0</u>	<u>209,448.0</u>	<u>331,974.6</u>	<u>468,408.8</u>

Revenue Estimates (Preliminary)
December 15, 1972

	Actual	Estimated					
	FY 1972	FY 1973	FY 1974	FY 1975	FY 1976	FY 1977	FY 1978
GENERAL FUND							
<u>Unrestricted Revenue - Non-North Slope:</u>							
Income, Excise, Business, Occupation Taxes	80,778.3	83,810.4	89,443.6	95,516.2	101,592.0	109,782.6	125,676.3
Oil & Gas Production Taxes	11,400.8	10,947.0	8,526.0	7,989.0	7,269.0	6,352.0	5,550.0
Oil & Gas Royalties	24,564.0	27,094.7	28,791.4	21,031.4	21,952.5	20,517.9	20,245.0
Miscellaneous Revenue	35,039.4	39,158.1	48,736.6	43,840.9	44,219.2	44,426.0	34,710.8
Total - Non-North Slope	<u>151,832.5</u>	<u>161,010.2</u>	<u>175,797.6</u>	<u>168,427.5</u>	<u>175,132.7</u>	<u>181,078.5</u>	<u>186,162.1</u>
<u>Unrestricted Revenue - North Slope:</u>							
Income, Excise, Business, Occupation Taxes:							
Individual Income Tax			6,125.6	10,770.8	10,566.7	3,267.0	238.2
Corporation Tax			148.8	223.2	260.4	1,744.4	11,241.4
Business Licenses			158.5	784.5	1,077.4	941.5	244.5
Excise and Occupation Taxes			1,211.2	1,477.1	998.9	101.0	
Sub-Total			<u>7,644.1</u>	<u>13,255.6</u>	<u>12,903.4</u>	<u>6,050.9</u>	<u>11,724.1</u>
Oil & Gas Production Taxes						81,503.0	142,384.0
Oil & Gas Royalties						52,734.5	149,654.4
Total - North Slope			<u>7,644.1</u>	<u>13,255.6</u>	<u>12,903.4</u>	<u>140,294.4</u>	<u>303,762.5</u>
Income on Investments	<u>67,333.4</u>	<u>52,447.8</u>	<u>45,248.3</u>	<u>33,805.9</u>	<u>21,411.9</u>	<u>10,511.7</u>	<u>8,464.2</u>
Grand Total	<u>219,165.9</u>	<u>213,458.0</u>	<u>228,690.0</u>	<u>215,489.0</u>	<u>209,448.0</u>	<u>331,974.6</u>	<u>498,409.8</u>

Revenue Estimates (Preliminary)
December 15, 1972

	Actual	Estimated					
	<u>FY 1972</u>	<u>FY 1973</u>	<u>FY 1974</u>	<u>FY 1975</u>	<u>FY 1976</u>	<u>FY 1977</u>	<u>FY 1978</u>
GENERAL FUND							
<u>Unrestricted Revenue - Non-North Slope:</u>							
Income, Excise, Business, Occupation Taxes	80,778.3	83,810.4	89,443.6	95,516.2	101,692.0	109,782.6	125,676.3
Oil & Gas Production Taxes	11,400.8	10,947.0	8,526.0	7,989.0	7,269.0	6,352.0	5,550.0
Oil & Gas Royalties	24,564.0	27,094.7	28,791.4	21,081.4	21,952.5	20,577.9	20,245.0
Miscellaneous Revenue	35,089.4	39,158.1	48,736.6	43,840.9	44,219.2	44,426.0	34,710.8
Total - Non-North Slope	<u>151,832.5</u>	<u>161,010.2</u>	<u>175,797.6</u>	<u>168,427.5</u>	<u>175,132.7</u>	<u>181,078.5</u>	<u>186,132.1</u>
<u>Unrestricted Revenue - North Slope:</u>							
Income, Excise, Business, Occupation Taxes:							
Individual Income Tax			6,125.6	10,770.8	10,566.7	3,267.0	233.2
Corporation Tax			148.8	223.2	260.4	1,744.4	11,241.4
Business Licenses			158.5	784.5	1,077.4	941.5	244.5
Excise and Occupation Taxes			1,211.2	1,477.1	998.9	104.0	
Sub-Total			<u>7,644.1</u>	<u>13,255.6</u>	<u>12,903.4</u>	<u>6,056.9</u>	<u>11,724.1</u>
Oil & Gas Production Taxes						81,503.0	142,384.0
Oil & Gas Royalties						52,734.5	149,654.0
Total - North Slope			<u>7,644.1</u>	<u>13,255.6</u>	<u>12,903.4</u>	<u>140,294.4</u>	<u>303,762.5</u>
Income on Investments	<u>67,333.4</u>	<u>52,447.8</u>	<u>45,248.3</u>	<u>33,805.9</u>	<u>21,411.9</u>	<u>10,511.7</u>	<u>8,464.2</u>
Grand Total	<u>219,165.9</u>	<u>215,458.0</u>	<u>228,690.0</u>	<u>215,489.0</u>	<u>209,448.0</u>	<u>331,974.6</u>	<u>498,408.8</u>

AGD 533335

House Bill 59
 Revenue Projections 1974 - 1983
 Assuming Construction Starts July 1, 1973
 (\$000 Omitted)

	FY 1974	FY 1975	FY 1976	FY 1977	FY 1978	FY 1979	FY 1980	FY 1981	FY 1982	FY 1983
ty Tax Collection Under HB 59	\$22055.9	\$40853.1	\$59947.6	\$69211.1	\$70000.0	\$70000.0	\$70000.0	\$70000.0	\$70000.0	\$70000.0
Shared to Local Governments (see below)	1653.8	3063.1	4494.8	5189.2	5248.4	5248.4	5248.4	5248.4	5248.4	5248.4
Revenues to State Treasury	<u>\$20402.1</u>	<u>\$37790.0</u>	<u>\$55452.8</u>	<u>\$64021.9</u>	<u>\$64751.6</u>	<u>\$64751.6</u>	<u>\$64751.6</u>	<u>\$64751.6</u>	<u>\$64751.6</u>	<u>\$64751.6</u>
Governments' Share of Property Tax:										
Slope Borough	\$ 734.7	\$ 1360.8	\$ 1996.8	\$ 2305.3	\$ 2331.6	\$ 2331.6	\$ 2331.6	\$ 2331.6	\$ 2331.6	\$ 2331.6
Star Borough	267.6	495.6	777.3	839.6	849.2	849.2	849.2	849.2	849.2	849.2
Valdez	651.5	1206.7	1770.7	2044.3	2067.6	2067.6	2067.6	2067.6	2067.6	2067.6
Shared Revenues	<u>\$ 1653.8</u>	<u>\$ 3063.1</u>	<u>\$ 4494.8</u>	<u>\$ 5189.2</u>	<u>\$ 5248.4</u>	<u>\$ 5248.4</u>	<u>\$ 5248.4</u>	<u>\$ 5248.4</u>	<u>\$ 5248.4</u>	<u>\$ 5248.4</u>

AGD 533336

S T A T E O F A L A S K A

Department of Revenue

Budget Projections and Resulting Effect
on the General Fund Balance
for the Next Ten Fiscal Years

All revenue estimates, estimated expenditures and other assumptions not listed as "comments" or "assumptions" on the Budget Planning Model detail pages are taken from the Budget Document Supplement, Alaska, Fiscal Year 1973-74.

STATE OF ALASKA
REVENUE

BUDGET PLANNING MODEL

FEBRUARY 27, 1973

PIPELINE CONSTRUCTION BEGINS IN FY 1974
OIL FLOWS IN FY 1977
RIGHT-OF-WAY LEASING 43
TAX PACKAGE INCLUDED

- ASSUMPTIONS
- ANNUAL RATE OF INTEREST ON GENERAL FUND = 7.00%
 - ANNUAL RATE OF INTEREST ON NEW BONDS = 6.00%
 - MATURITY PERIOD ON NEW BONDS IN YEARS = 20.
 - % OF CURRENT YR EXPEND. IN C.F. CASH BAL = 20.00%
 - ANN OPER EXPEND GROWTH RATE AFTER 1ST YR = 7.00%

DEPT	INVESTMENT	TOTAL	OPERATING	DEBT	DISP EXP	TOTAL	SURPLUS	GENERAL
REVENUE	EXPENDITURE	REVENUE	EXPENDITURE	SERVICE	AND TAXES	EXPENDITURE	OR	FUND
					OF CAP EX		DEFICIT	END OF YEAR
								642638.0
000000.0	66194.4	235645.4	318000.0	26441.0	12103.0	357300.0	-121654.6	520983.4
000100.0	33003.6	221900.0	340372.5	30000.0	12821.0	383793.5	-161800.0	359170.5
004027.0	13091.0	214070.3	306840.2	33200.0	13105.0	411205.2	-196520.0	102049.0
005044.0	5521.0	345405.0	306378.7	40000.0	26520.0	453898.7	-113432.0	49156.7
011100.0	5517.4	510370.4	417704.0	45500.0	45070.0	508260.8	3095.0	57392.3
030010.0	6753.4	541775.4	446944.0	52100.0	45001.0	544755.0	-2359.6	54092.0
030271.0	6800.4	505077.4	478223.3	55300.0	47494.0	581023.3	-15945.9	38940.0
030300.0	9279.3	508304.3	511705.2	56200.0	46900.0	618555.2	-49350.0	-10444.2
070014.0	1004.4	570090.4	547523.0	61000.0	5027.0	650350.0	-82852.5	-93290.7
081000.0	-4401.2	570103.0	585850.4	60000.0	51700.0	704350.4	-127510.0	-220813.3
000000.0	130452.7	4304330.0	4462812.0	469141.0	355157.0	5227700.0	-803451.3	

STATE OF ALASKA
REVENUE

BUDGET PLANNING MODEL

OF 1974

FEBRUARY 6, 1975

PIPELINE CONSTRUCTION BEGINS IN FY 1974
OIL PLANS IN FY 1977
RIGHT-OF-WAY LEASING 45
TAX PACKAGE INCLUDED
PROPERTY TAX INCLUDED

ASSUMPTIONS
ANNUAL RATE OF INTEREST ON GENERAL FUND = 7.0%
ANNUAL RATE OF INTEREST ON NEW BONDS = 6.00%
MATURITY PERIOD ON NEW BONDS IN YEARS = 20:
% OF CURRENT YR EXPEND. IN G.F. CASH BAL = 20.00%
ANN OPER EXPEND GROWTH RATE AFTER 1ST YR = 8.00%

GENERAL FUND REVENUE	INVESTMENT INTEREST	TOTAL REVENUE	OPERATING EXPENDITURE	DEBT SERVICE	MISC EXP AND TAXES OF GAS EX	TOTAL EXPENDITURE	SURPLUS OR DEFICIT	GENERAL FUND END OF YEAR
								642632.0
200713.0	20034.4	220747.4	512660.0	20441.0	12193.0	545294.0	-100512.0	342120.4
119713.0	30044.0	149757.0	346159.3	30000.0	12621.0	386780.3	-126422.5	417702.9
137001.0	23781.0	160782.0	371091.7	33200.0	13103.0	417394.7	-142003.0	275692.9
140000.0	18621.1	158621.1	401420.0	40000.0	28510.0	469930.0	-280111.0	224721.2
179111.0	11000.0	190111.0	433940.0	45000.0	45070.0	524010.0	70009.3	227710.4
201700.0	13340.0	215040.0	460270.0	52100.0	45091.0	560461.0	57342.2	353058.0
220000.0	20700.0	240700.0	500001.0	53300.0	47000.0	600301.0	41224.3	304200.0
220412.0	2727.1	223139.1	540133.4	50300.0	40410.0	630843.4	3302.0	397000.7
240100.0	20100.0	260200.0	560000.0	60000.0	50000.0	670000.0	-30000.0	301770.4
240000.0	20000.0	260000.0	650000.0	60000.0	50000.0	760000.0	-50000.0	270000.0
260000.0	20000.0	280000.0	600000.0	60000.0	50000.0	710000.0	-43000.0	230000.0

STATE OF ALASKA
REVENUE

BUDGET PLANNING MODEL

ASH 333

FEBRUARY 1, 1973

PIPELINE CONSTRUCTION BEGINS IN FY 1974
OIL FLOWS IN FY 1977
RIGHT-OF-WAY LEASING 4%
TAX PACKAGE INCLUDED
PROPERTY TAX INCLUDED

ASSUMPTIONS
ANNUAL RATE OF INTEREST ON GENERAL FUND = 7.00%
ANNUAL RATE OF INTEREST ON NEW BONDS = 6.00%
MATURITY PERIOD ON NEW BONDS IN YEARS = 20.
% OF CURRENT YR EXPEND. IN G.F. CASH BAL = 20.00%
ANN OPER EXPEND GROWTH RATE AFTER 1ST YR = 10.00%

INVESTMENT REVENUE	INVESTMENT INTEREST	TOTAL REVENUE	OPERATING EXPENDITURE	DEBT SERVICE	MISC EXP AND TAXES OF CAP EX	TOTAL EXPENDITURE	SURPLUS OR DEFICIT	GENERAL FUND END OF YEAR
								642033.0
107000.0	40000.0	250787.4	310000.0	20441.0	12193.0	357534.0	-109512.0	542125.4
215000.0	80000.1	262410.1	350552.4	50000.0	12621.0	503553.4	-150934.3	411191.1
300000.0	120000.0	275220.0	388885.3	35200.0	13105.0	451990.3	-150721.7	254469.4
400000.0	160000.2	417001.2	428145.3	40000.0	20520.0	492665.3	-75572.1	178897.3
470000.0	180000.1	501510.1	400957.3	45000.0	45070.0	557127.3	54105.0	213005.0
500000.0	171700.1	610000.0	510000.0	52100.0	45000.0	610000.0	50000.0	210000.0
610000.0	187000.0	650000.0	500000.0	55000.0	7000.0	607000.0	-27000.0	101450.0
700000.0	192000.0	640000.0	620000.0	50000.0	4000.0	720000.0	-35000.0	100000.0
800000.0	200000.0	650000.0	650000.0	61000.0	5000.0	720000.0	-140000.0	-40000.0
900000.0	200000.0	650000.0	750000.0	60000.0	5000.0	800000.0	-220000.0	-270000.0
1000000.0	187000.0	450000.0	500000.0	40000.0	5000.0	500000.0	-100000.0	

STATE OF ALASKA
REVENUE

BUDGET PLANNING MODEL

NOV 10 1974

DATE FEBRUARY 8, 1975

COMMENTS

PIPELINE CONSTRUCTION BEGINS IN FY 1975
OIL PLANS IN FY 1976
RIGHT-OF-WAY LEASING 48
TAX PACKAGE INCLUDED
PROPERTY TAX INCLUDED

ASSUMPTIONS

ANNUAL RATE OF INTEREST ON GENERAL FUND = 7.00%

ANNUAL RATE OF INTEREST ON NEW BONDS = 6.00%

MATURITY PERIOD ON NEW BONDS IN YEARS = 20.

% OF CURRENT YR EXPEND. IN G.F. CASH BAL = 20.00%

ANNUAL OPER EXPEND GROWTH RATE AFTER 1ST YR = 5.00%

FISCAL YEAR	NON INVESTMENT REVENUE	INVESTMENT INTEREST	TOTAL REVENUE	OPERATING EXPENDITURE	DEBT SERVICE	MISC EXP SHD TAXES GF CAP EX	TOTAL EXPENDITURE	SURPLUS OR DEFICIT	GENERAL FUND END OF YEAR
1973									642038.0
1974	188884.0	4882.0	251866.0	318000.0	28441.0	12,933.0	357300.0	-125413.1	517224.9
1975	181313.0	34275.0	257188.0	334599.0	30000.0	12321.0	377420.0	-140231.4	376993.4
1976	232359.0	22794.0	255753.0	351328.0	33200.0	13105.0	397693.0	-141940.6	235952.8
1977	238511.0	11333.1	267894.1	368894.6	40000.0	28320.0	437414.6	-169520.4	75532.4
1978	403495.0	3382.0	406877.0	387335.1	45900.0	45370.0	477915.1	-88478.1	-2945.7
1979	372228.0	4035.2	387263.2	400705.6	52100.0	45001.0	504406.6	82700.0	79520.9
1980	358071.0	11201.0	617272.0	427040.4	55300.0	47454.0	529834.4	86138.1	107398.9
1981	330251.0	17845.7	648096.7	448301.8	58200.0	48150.0	554651.8	93654.9	201013.9
1982	338892.0	29803.8	657495.8	470811.1	61000.0	50727.0	582538.1	70357.1	357371.0
1983	378353.0	17304.1	675797.0	496351.1	68800.0	51700.0	616851.1	82545.9	400310.9
	452757.0	10517.2	4530782.0	4868125.0	409111.0	356337.0	4833102.0	-242321.1	

AGD 533341

STATE OF ALASKA
REVENUE

BUDGET PLANNING MODEL

PAGE 41

FEBRUARY 17, 1975

PIPELINE CONSTRUCTION BEGINS IN FY 1975
OIL FLOWS IN FY 1978
LIGHT-OF-MY LEASING 42
TAX PACKAGE INCLUDED
PROPERTY TAX INCLUDED

ASSUMPTIONS

ANNUAL RATE OF INTEREST ON GENERAL FUND = 7.00%
ANNUAL RATE OF INTEREST ON NEW BONDS = 6.00%
MATURITY PERIOD ON NEW BONDS IN YEARS = 20.
% OF CURRENT YR EXPEND. IN C.F. CASH BAL = 20.00%
ANN OPER EXPEND GROWTH RATE AFTER 1ST YR = 7.00%

AG0 533342

ESTIMATED GENERAL REVENUE	INVESTMENT INTEREST	TOTAL REVENUE	OPERATING EXPENDITURE	DEBT SERVICE	MISC EXP SIC TAXES OF CAP EX	TOTAL EXPENDITURE	SURPLUS OR DEFICIT	GENERAL FUND END OF YEAR
								062630.0
100000.0	40021.0	251066.0	310000.0	20441.0	12193.0	357390.0	-125415.1	517124.9
200000.0	84130.5	257040.9	340972.5	30000.0	12821.0	383793.5	-145743.6	370461.3
300000.0	12044.1	255805.1	364340.2	33200.0	13105.0	411245.2	-150202.1	214279.1
400000.0	1833.4	200004.3	330570.7	40000.0	20520.0	458090.7	-102094.4	21384.8
500000.0	-227.0	405817.4	417704.0	49500.0	45070.0	508280.0	-102463.4	-81070.7
600000.0	-1371.2	581250.0	440344.0	52100.0	45001.0	544735.0	-36521.0	-44550.9
700000.0	1100.0	100000.0	470220.0	55000.0	47004.0	581000.0	27000.0	-10700.0
800000.0	4700.0	650000.0	511700.0	50000.0	40450.0	610000.0	10000.0	-30.0
900000.0	5700.0	641000.0	547500.0	61000.0	50727.0	659227.0	-10220.0	-10200.0
1000000.0	4277.0	652100.0	585000.0	60000.0	51700.0	700000.0	-52200.0	-70000.0
1100000.0	117000.0	4514000.0	4402012.0	409141.0	55000.0	5227000.0	-713127.0	

Right-of-Way Leasing Act
(Millions of Dollars)

	Year of TAPS Pipeline Operation				Average 35 Years
	<u>1st</u>	<u>5th</u>	<u>10th</u>	<u>20th</u>	
At 4% ICC Return	2.1	2.1	4.5	21.5	15.4
At 5% ICC Return	3.4	6.2	13.7	30.1	22.7
At 7% ICC Return	25.1	29.1	34.6	47.1	40.6

At a 4% ICC rate of return North Slope oil corporations will maximize their total profits. This ICC return rate and the concurrent revenues to the State are the most likely case.

INCREASE REVENUES DUE
TO TAX INCREASE PROPOSALS

Receipt Title	FY 1974	FY 1975	FY 1976	FY 1977	FY 1978	FY 1979	FY 1980	FY 1981	FY 1982	FY 1983
Cigarette Tax Increase (From to 13¢ per pack)	\$2,412,000	\$2,539,250	\$2,793,125	\$2,904,875	\$3,023,563	\$3,200,139	\$3,387,027	\$3,584,829	\$3,794,183	\$4,015,763
Motor Vehicle License Tax Increase (From 2% to 5% of net income)	440,000	480,000	520,000	560,000	600,000	648,360	700,618	757,088	818,109	884,048
Highway Fuel Tax Increase (From 8¢ to 10¢ per gallon with refund for off- highway use out of 10¢ per gallon.)	2,655,300	2,857,250	2,892,700	3,002,700	3,155,300	3,295,080	3,441,052	3,593,490	3,752,682	3,918,926
Aircraft Fuel Tax	<u>541,500</u>	<u>563,150</u>	<u>585,650</u>	<u>609,100</u>	<u>633,450</u>	<u>658,788</u>	<u>685,140</u>	<u>712,545</u>	<u>741,047</u>	<u>770,689</u>
Sub-Total	<u>\$6,048,800</u>	<u>\$6,439,650</u>	<u>\$6,791,475</u>	<u>\$7,076,675</u>	<u>\$7,412,313</u>	<u>\$7,802,367</u>	<u>\$8,213,837</u>	<u>\$8,647,952</u>	<u>\$9,106,021</u>	<u>\$9,589,426</u>

DATE	ACTIONS	BILLING INFORMATION
March 13, 1973	Transcription of Hearing Tape John Havelock, Speaker	\$52.50

I'm John Havelock, State Attorney General. With me today are Fred who is the Director of Audit in Parks and Revenue, Larry , who is deputy commissioner of the treasury and Assistant Attorney General Rick Garnet. I have from the chairman a letter relating to HB 59 of which you require whether ... considering the revenue contemplated on the bill right of way leasing act adopted last year. Whether these measures have not already assured sufficient funds, new funds raised to meet a conservative budget such as the legislature would be included to adopt. These issues relate primarily to economic questions which is why I had these meetings with the Department of Revenue people here today and I will just make a few comments from a policy point of view for referring the issues to these able gentlemen who have information, copies of which have been distributed to you here which I think will be of to you at today's hearing. By way of summary, let me say that we appreciate the opportunity to respond to this questions because of the widespread illusion throughout the state that the legislature, by virtue of its acts last year, have already adopted measures which constitute and ignore the revenue increase constituting a tremendous burden, particularly on the oil industry, and this is an illusion. It is not true that last year your incremental revenues measures were adopted. The property tax which was introduced last year as one of the several measures tend to be considered together which because of of time of problems also not adopted. As far as the revenue aspects go, this is one of the more critical revenue measures which was introduced at that time and I think that it would appear still a very conservative measure at that by considering the overall situation. In reviewing very briefly the measures which were adopted last year, first of all the cents per barrel tax is essentially a revenue guarantee measure in that it is a floor tax and it was not considered to be primarily a measure for raising more revenue to meet the contemplated revenue gain of the state. We do not know at this time whether in fact that cents per

barrel tax will even go into effect because we don't know what the market conditions will be at the time the oil flows. The second measure, another measure, is the regulatory act which, of course, is not a revenue measure at all. The right of way bill which has been a center of controversy, perhaps more so than the floor tax with the industry, a good deal of uncertainty about the revenue impact of that measure this last year because of the changes in the measure up to the last minute, the revenue there, because of the various variables that came into it, we were unable to last year give tentative answers as to the revenue act after that bill. We have now at some expense and after very careful perusal of the way the bill operates and the way the measure would operate we have eliminated those uncertainties. There are still variables which are involved which change the impact and the income and revenue results of the tax. We are in a position to identify the variables for you, to give you both the range of revenue estimates that can be expected and use the most probable case, and we can do so, I believe, definitively. As to the property tax of HB 59 before you, I think it is worth emphasizing that the issue the community is considering on this bill is not whether property taxes applicable to the pipeline should exist, that the status quo is maintained, the property taxes will prevail on the pipeline and that they will be levied by municipal government. What is really of more concern is how much revenue, what the millage rate should be, and the form of distribution from the tax and the proposal for a state administered tax which was put before you previously and is put forth before you again this year with the hope that the legislature can make rational decisions as to what the revenue capability of that tax should be and the manner which the benefits from that tax should be distributed. Now it has been said that the property tax singles out a single industry which is unfair, and I would like to make a few comments on that, but before I do I would like to point out that local governments are just as capable of levying taxes, principle incidents of which involve upon the pipeline,

as the status. I think in the long run it is better before the industry that a tax of this nature be administered at a state level. in the long run better equity to have a tax on a property of this magnitude subject to state control with termination by the entire legislature.

*Can I interrupt just....is it your feeling that once a tax is levied by the state that is a preemption over the local government?

That depends upon the form of the measure adopted. This particular bill essentially constitutes a preemption with a redistribution.

*It is your opinion now, informally I understand, that this would in fact do that.

Yes, that is the case.

*Thank you.

To get into our comment on the effect of local government taxes which is that if you do nothing, what happens is that the result of the deductability of property taxes, you are essentially providing for a distribution system whereby those areas of general government is subsidizing particular municipal government which have the opportunity to apply the tax as a result of the deductability of property tax state income tax. So, again, the status quo hardly guarantees any more of a magnitude of the enterprise, the size of the assets involved in relationship to all the other assets of the state put together makes it highly relevant and pertinent and appropriate for the legislature to consider how this entity is to be taxed and how major pipelines are to be taxed. Large pipelines may not have the last of them. How this classification of property has increased. To answer the question of the singling out, we have barely singled out a particular instance. I suppose it is true that any tax adopted by the legislature has a distribution burden which effects some people more than others and I don't think that tax alone really has anything to do with fairness or unfairness. I would like to note,

for instance, in terms of whether the rest of the economy is "bearing its fair share". The gross receipt tax is the major tax burden to a large number of industries. So, I think that to just look at the property tax alone and say that the incidents of property tax are more on one than on another is simply to state a truism of taxation generally and I don't think it relates fairness. Other examples of distribution , in our state, we have a very high level of personal income tax relative to the rest of the country and I think it is a demonstration of the willingness of the people of Alaska to meet their fair share of the burden of the cost of running a government. A third factor is responsible budgeting. Responsible Budgeting, particularly under exercising real belt tightening activity also has its contribution frequently for those who are least able to bear it to the cost of running government in terms of decreased services and loss of necessary sustenance. It is also rational for the policy to adopt taxes which have different incidents and burdens on different parts of the economy. It is not in the state's interest to levy the same level of taxation of new growth that is in a state where one of the critical issues for the next two decades is the extent to which we can broaden the base of the economy. It is not rational for the policy to impose substantial burdens on that form of new industry when there are forms of industry available which are quite capable of paying a larger share of the burden of maintaining essential governmental services. The underlying principle in the fairness, after all, since the income tax amendment to the constitution in 1916 is that the taxation or the level of taxes should be associated with ability to pay and I think it is apparent now, as it has been for a decade or more, that ability to pay is very much within the realm of commerce, commercial activity, business associated with the petroleum industry in this state and I think it is misleading to think of the tax project as the oil industry as just another small grocery or gas station entirely and enormous aspects of the economy through the legislature should look at it as an entity without having it necessarily associated with a small store on the Yukon

River or a trading center or something in terms of the ability to meet the burden of government. It was in assisting in the pushing of this pipeline project to the earliest completion possible within the last year that I have had cause to re-read legislative history of the Alaska Statehood Act with the premise of Alaska statehood that with a small population such as this state had, with very little independent income base capable of supporting government, with enormous unmet needs, that it would be the oil industry that would pay for a very large share of the growth of the state. The state was not a feasible political entity without a larger share, a very large share, of the burden supporting that state coming from the petroleum industry and that is to say the legislative history that I have just stated would prove that. With that induction, Mr. Chairman, I would like now to refer to some of the particulars like calling on the property tax impact by calling on Mr. Fred _____ of the Department of Revenue to give you some figures and explain perhaps some of the exhibits before you.

which
Mr. Chairman, House Bill 59 proposes a property tax on oil and gas transportation facilities is apparently straight forward in terms of projecting revenue estimates. The bill provides that a tax of 20 mills shall be leveled on the pipeline as of any given January 1. It also provides for a sharing back to the local jurisdiction through which the pipeline passes based upon 20% of the value of the line in such jurisdiction. Before you on the first page of the exhibit handed out, we show our projections for fiscal year 1974 thru 1983 with the first line indicating the total tax collected by the state less the amount to be shared through local governments and the net revenues to state treasury. Beneath that is a table showing a breakdown of the local government's share of the tax among the three local governments through which the pipeline should pass. The basis for the projections is a total cost of the pipeline's total ultimate value of 3.5 billion dollars with the construction occurring primarily in 1973, '74, '75 and into the middle of 1976.

are you open for questions? Any questions?

Mr. Fink: It just seems to me that the figure you had on that last year was 80 million. How did you arrive at the maximum of 70 million this time?

Last year's projection did not project to 80 million, they projected up to 59 million which would be the value in 1977. The 70 million dollar ultimate is based on the 3 1/2 billion dollar completion costs at the 20 mill rate.

(Mr. Fink) Your bill originally last year was on the pipeline only. I know I am digging out finance projections and we threw the tank farms and the gathering lines in which apparently you have done in this year's bill except you have excluded this twenty-one inch which seems

You say that the pipeline and the tank farm and the gathering lines, all that, will cost a maximum of 3.5 million dollars?

Yes, sir.

If there are no other questions I would like to call on Deputy Commissioner to discuss the relationship of that to the revenue and manager projections of the state.

Mr. Chairman, and guests, I would like to call your attention to a five or six page booklet that we prepared this morning which is, in fact, copies of a computer projections showing in effect the property tax and several other variables on the general fund at the end of each year. By this afternoon we should have this information available in short form which is somewhat easier to digest. But, until then, I went through and specifically as possible as to what these projections indicate. I will be available for questions, of course, at any time in my testimony. We turn to projection one which is run number 15. It is based on the assumption that construction of the pipeline will begin in fiscal year 1974, inflation of the line and production will begin in fiscal year 1977. With the revenues included the revenues from the right-of-way leasing act assuming a 4% ICC rate of return. A separate page in the handout that I believe you all have shows exactly what that 4% ICC return means in dollars to the state. For the first through the fifth year

of operation the 4% return indicates to the state about 2 million dollars. It is not until very late in the operation of the pipeline, in the tenth and twentieth year, that you see high revenues. In the average of 35 years it is 15.4 million. This 4% ICC return we believe will be the most likely and the most reasonable. It is, in addition, the case that the oil companies did mention directly to the Governor that they were intending to run the following testimony this March regarding ownership of the pipeline. So, we really feel confident that there will be a 4% dividend and rate of return as measured by the ICC.

*I think you all read something in the paper today about the oil companies saying it would cost them 150 million. Do you know what the difference between their computation and yours is?

I cannot understand that completely. A 150 million or even a higher figure quoted in the paper is just not reasonable. I don't understand the cause of it. It can only be based on ICC returns so large as to be incredible.

*Now you've got 7% here. Is that the maximum they can charge under ICC or can they charge 8%?

There was a ruling many years ago that 8% ICC return was allowable. How much they can charge under ICC really is a question of the degree that ICC will expect this pipeline of their jurisdiction and whether they find anything unique in the Alaskan pipeline.

*Even at your 7% you show only 25 million the first year and an average of 40 million.

That's right.

*Do you think that they could be talking about a lot higher unit?

No, I do not. Again, the cost, the economic analysis, and many of the factors seem to be the same yet the numbers are apparently different. I do not understand it.

These returns are based on our latest look at the economics, our latest look at the regulations the state has adopted and our most likely projection for what, in fact, will occur in terms of revenue.

*Alright, the other thing is that all of your print-outs are based on a 4% on the right-of-way. Apparently they use a higher figure. Then again, why do you think they will use 4% rather than 7% or something else?

Well, first of all they told us. Secondly, and most important, it is in their best interest to use a 4% ICC return. Let me try to explain it very simply. The higher the return on the line, the lower the bulkhead value of the oil in the ground and what is the incentive of the oil companies that have a high bulkhead value in the ground? It is a depletion allowance. The tax advantage, which is a percentage of the bulkhead value of the oil produced. So, clearly as we examine it, running the pipeline at a high tariff causes the overall rate of return of the pipeline and the owner to decline, not increase. Again, because of the dominant tax advantages of the depletion allowance.

*In effect, there would be different parties involved like in the pipeline shipping their oil. Do you think it is the same that....

At this time the unit agreement has not been completed on the North Slope so we are not certain at this date what oil company will own what percentage of the pool. Neither has the oil companies agreed to my knowledge about which oil company will own what percentage of the two million barrel a day pipeline. So, in fact, there is an opportunity of changing the amount of oil ownership as well as the opportunity of changing the amount of pipeline ownership.

*Is that all Mr. Fink? Miller.

*I have a question. I see that these revenue projections are based upon the pipeline construction beginning in fiscal year 1974. May I assume that your assumptions are January 1, 1974, as this would make a big difference whether this was January 1 or

December 1. Exactly what month did you pick? This could make a tremendous difference in the entire projections.

I believe I understand the question. There are a total of five projections here, three which are based on pipeline construction beginning fiscal year 1974 and the final ones are based on a statistical look, if you will, on pipeline construction beginning in fiscal year 1975. The question as I understand it was a six month postponement followed construction beginning this summer. Is that correct?

*Would it make a difference on your entire twenty year projections depending upon what month you were picking up here. It would be the same thing on oil flow. It starts flowing in 1977, say a six month delay in the construction of the pipeline. I mean to be completed from their estimate of three years.

I agree. These projections, again, show construction beginning in the summer and then construction on a one year delay. The question as I understand it is what is the effect of construction being delayed six months together with a three year construction period. The pending of this administration and any delay at the beginning of the construction will be offset by a compression of the construction period. We have shown you here perhaps the best case and a worse case. delay and a year delay. We are working at this time to look at various six month delays as communicated earlier since everything is, in fact, offset split between fiscal years, Backup from this project will and it will be some time before we statistical look, if you will, of the effect of the six month delay.

*(Mr. McVay) Just a few questions...as I understood you correctly, you feel probably the best guess is that the pipeline will be allowed a 4% ICC return. Is that.....

We are assuming, and we have substantially believed that the pipeline will be run at a 4% return .

*Just generally speaking, isn't it true that the ICC regulation of the rates look to the total amount paid at setting the percentage figure. In other words, anyone

is entitled to make a return on a dollar and the return is somehow related to the cost of the project. In other words, 4% would not be very much of a return on a small utility or a small line, but 4% could be an awful lot of money on a huge line. Is that the kind of factor; do you see my point?

Yes, Mr. Chairman, I do. This 4% return is on the total ICC evaluation. That pipeline may be financed 80% by debt, 85% or 90%. So, for a hypothetical situation, if it was financed 90% by debt then the 4% return would provide a return to equity of in excess of 35% as well as, of course, pay off all the debts.

*That would have a tendency to drive that percentage figure down, right?

That would not be taken into account by the ICC.

*I see.

So, they would at a 4% return provide for return to equity of substantially in excess of 35%. They ICC looks at the total value of the line and the total return of the total value.

Mr. Chairman, the 4% that we capulate is based upon the economics of the industry and what they would do, or the industry would do, from the point of view of maximizing their own profits. It is not a prediction as to what if the ICC regulates the line, the ICC maximum allowable would be. There is no way to tell that at this point. But what we're looking at is that the existing pattern of ownership distribution of the pipeline and of the oil, that it is the maximum economic return to the integrated company it would be achieved at approximately the 4% rate.

*Some companies would be better off than others?

There is a difference in that this is a stand alone pipe-line. Supposing you had a pipeline owner that had no oil then it would be his interest to charge the highest possible tariff available. We are dealing with integrated companies. We are dealing with companies ~~with~~ that negotiate with each other. We are dealing with a situation

where there is not a gross prosperity between the ownership of the oil and the ownership of the pipeline. That is, considering them all together it is very close, although there are differences among the owners in tax. They are quite free to negotiate and we believe it is in their commercial interests to negotiate to produce a more even distribution of pipeline ownership that is going to be close to....

*And that will tend to drive it down. (Chairman)

It will tend to, therefore, drive the tariff down because the overall effect is a maximization of profits and freedom to federal income tax. Should I continue, Mr. Chairman, to.....

*Yes, go ahead, if there are no more questions at this time.

Well, the chart number one, the computer print-out, shows that if operating expenses were to increase about 7% each year that even with the construction of the pipeline beginning this summer, there would be a negative balance in the general fund at the end of the 1980's. The revenue estimates which are contained in this projection include not only the right-of-way leasing revenues but as well the proposed taxes that the legislature is now considering at this time and these are summarized and displayed regarding the revenue effect of these taxes on an additional page supplied to you. We call the aggregate of the four taxes the tax package.

The comments regarding this projection on the tax package is included. Projection number two on the following page includes the estimated net revenue to the treasury property tax. The only difference between this projection and the first one is that here we show the positive general fund balance as well we are in a position to increase operating expenditures at an 8% level each year instead of a 7% level showing zero. Here we show an average balance in the general fund stabilizing between 2 and 4 hundred billion throughout the period. Again, this chart is based on the assumption that constructions begins in summer. The next chart from 33B identical to the one I just talked about, the second one, except that you know increase operating expenditures 10% a year. Recalled to this committee several

Back to what we are doing, Mr. Chairman, is trying to estimate our investment revenue based upon the fact that the cash balance will always be somewhat higher. I would like to point out to this committee, however, that the budget projections the unencumbered balance has great significance. It is not at this time legal to have negative balances in the general fund.

(Mrs. Miller) In other words, we are going to be broke must faster unless we pass this property tax. Is that what it amounts to?

Yes.

(Mrs. Miller) Another question. What effect does this have on oil in-kind that the state is forced to accept? Aren't we, in fact, taxing our own oil? And how is this going to effect the entire situation? Aren't you taking out of one pocket and putting in another, and if so, how much?

That is a very good question although somewhat technical. Let's assume a set of events sometime in the 1980's when the cents per barrel tax is no longer in effect. This is certainly going to be the case. Prior to that time, of course, we will not be taking out of one pocket and putting into another in no terms since the cents per barrel tax will provide us with a revenue tax income. When, in fact, the state the value tax, if it does, then dollar for dollar property tax income to both the state and the local governments would be paid for by a reduction in the state's royalty and severance share of about 20¢ as opposed to 19¢ of every dollar of income we will receive on the property tax. So you might say then that late in the 1980's the net millage rate would not be 20 mills but perhaps 18 mills.

(Mrs. Miller) What bearing would this have on other pipelines. I note Mr. Havelock made reference to other large pipelines which may be built in the state. _____ Ziegler referred to such possibilities as construction of a natural gasline. Now

what happens since they go under the interstate. What happens ^{about} gas and the fine there. As well as taxation on that you have to have an entirely different set of circumstances. If we are going to apply this to all of our pipelines aren't you going to have an entirely different situation there?

The answer to your question is that if we would wish to look ahead and see the construction of a gas pipeline either somewhat parallel to past line or....then we are talking about an event that may be completed no earlier than 1980 so in terms of revenue effect, it would not be immediate here, even in long-term ten-year projections which I have shown you except for, perhaps, the last few years. In addition, as a revenue generator, there would of course be additional revenue regarding other pipelines. I would like to point out that the construction of a gas line is in the forecast at this time, the hardware, the machinery needed to construct a gas line in Alaska could only be available at the completion of the oil pipeline. We still believe that the oil pipeline will be completed by the summer of 1976. Construction of the gasline could considerably begin at that time although we have not yet estimated the period construction of the gasline, including our years of looking at the period of construction of the oil pipeline. It causes us to be rather cautious. It might well be, Mr. Chairman, that the legislature at some point might wish to consider adjusting the mill levy in order to reflect the other sources of revenue which might be available in time. That certainly is an option available to the legislature.

(Mr. Huber) Mr. Havelock, is it just a continuing state of discussion . Isn't it also pretty nearly impossible at this time to put together just how the gasline would fit in because of the differences in operation, taxation and liquidation of its rates by the federal government. You couldn't look and say that at a given time the gasline is equal against the pipeline so you could look for traces much related to this.

I think, Mr. Huber, that in terms of projection it isn't possible for us to talk about rational projection there without adding hypothetical situations. I don't think at this point, Mr. Chairman, whether we are going to have a few miles of gasline going to the Canadian border or trans-Alaska line. That factor alone makes any kind of computation highly speculative. Technology at this point would be applied in the prospect. It is pretty hard to tell at this point, but technically could, no doubt with the tremendous growth in pipelines,

The problem is the immediate to early years that we're addressing, but as always during tax policies, there is a need to adjust tax policies in the later years to accomodate certain standards as they become clear at that time.

(Mr. Huber) Continuing just a little farther I would like to ask you about one part of the question. I just wanted it clear that it wasn't something that you could project. I then take that these two sheets in this section that we see here today don't reflect considerably more accurate information than anything we have in all of our testimony, all of which of last year and this is then as this is what we think we're going to have to live with and any other things that we are getting are much more tenuous, like that gasline, I think, where you would be mixing something that is uncertain in which this, then, is a pretty good certainty.

I think you have summed it up well, Mr. Huber. Its the statement, far more tentative than any other statement previously made on the subject.

(Mr. Huber) I think, Mr. Chairman, that I understand and I agree with the testimony here today

(Mr. Malcolm ?) Would it unrefine oil and unrefine gas?

Well, the bill is drafted to exclude pipelines that might carry refined gas where the different set of economics has to refined gas lines and lines such as the Anchorage-Fairbanks line now existing for products line.

() Is it conceivable that the gas, either the or natural gas from the oil might have to be dried or put through some process prior to transportation in which case it would no longer be unrefined.

I don't believe that it certainly will give it some treatment to extract some of the particles. I don't believe that the nomenclature used would call that refined.

I don't believe that it constitutes change for legislative purposes here. I might add, incidently, that in terms of administration policy we have, referring basically to your earlier question, that the legislature feels that it wants to broaden the base of tax to cover smaller pipelines, to cover product lines, we have no policy objection to that that we can see of those arguments that can be raised regarding the effect of disturbing economic consumption when certain lines are obstructed and so on instead of assumption that economic management prevails. We don't believe any such set of assumptions exist in regard to this pipeline which is now contemplated for construction. So, it is the impact from tax that can be readily taken into account, for instance their tarif or what have you and the manner which they sign their ownership and so on can take into consideration the legislative measures adopted. But, there is always the option of broadening the base which you would want carefully to do. This is certainly from the legal point of view in this classification.

() Well, the only thing that bothers me is that in the definition of unrefined in oil and gas you wouldn't want anything happening on the North Slope

but it is part of the natural process for preparing a product for shipment that would take it out of the category of unrefined oil and gas.

A pertinent point, Mr. _____, I will ask Mr. Garnet to research that and give the committee any language that appears appropriate.

(_____) I was wondering how

a 20% share. We are talking about the inactive property tax in terms

Mr. Chairman, the basis for the sharing is to share back to the local jurisdictions. An amount which would be equal to the local mill levy applied to 20% of the value of the pipeline passing through that local jurisdiction. Now the idea here is to provide to the local government some reimbursement for the impact of the line through the local government, but as Mr. Havelock pointed out earlier, not to allow the particular area to let's say become enriched at the expense of other areas by having the state subsidize the entire amount. So, 20% is a number that is arrived at as a means of sharing back to the local government at some extent and not the entire value of the line.

(_____) What I was wondering is is the administration

I don't believe that in our type there is any number

(_____) Also, I'm not sure of the wording, what happens if the local

jurisdiction changes its bill? Would this still just operate by the year that the bill went into effect?

in answering that question, the way it is written, it is true that if the jurisdiction raises its overall mill levy on all property tax in this jurisdiction, there would be a corresponding increase in the amount that it would get back under this 20% revision here. We think there are certain limitations that the local jurisdictions from taking such action, partly because there is a third bill

and, in the normal course of things the raise in the local mill levy would apply to the rest of the property in the jurisdiction of the pipeline. So, normally, you would have the political restraint furnished by that interconnection.

() Also, what happens what all these new boroughs start forming around the pipeline? That's not taken care of in any of these projections. I mean, are they going to be excluded?

The way the bill is set up now any new borough that is formed along the pipeline borough gets the benefit of this return, section 120, the same as the existing boroughs. It is also true that the payments to those new boroughs would have some effect on the net available to the state. It is very difficult at this time to predict exactly how that go but it could be very soon. It has been suggested that there is at least a possibility, a legal possibility, that say whole new boroughs would be in the position to take advantage of this provision by in effect exempting most other types of property besides the pipeline and raising the mill levy way up, thus increasing the revenue one would get out of this provision. Now, to guard against this possibility, it has been suggested that a maximum limit be put in on the borough mill rate that might apply. Such as , for instance, instead of saying that the borough gets an amount of money equal it's mill levy on 20%, say it gets an amount attributed to it mill levy up to a maximum of 20 mills