

Revenue Sources FY 1983-86



**Alaska
Department of Revenue**

January 1984



STATE OF ALASKA

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

BILL SHEFFIELD, GOVERNOR

POUCH S
JUNEAU, ALASKA 99811
PHONE: (907) 465-2300

December 19, 1983

To the Reader of the Revenue Sources FY 83-86 (January 1984) and
Petroleum Production Revenue Forecast (December 1983)

The revenue forecast presented in these publications has been prepared by economists and research staff of the Department of Revenue in accordance with the highest professional standards. It has been reviewed and adopted by myself as the Department's best judgment of revenues to be received by the State of Alaska over the prescribed forecast period. The Department of Revenue has historically been and remains solely and exclusively responsible for the preparation of these quarterly forecasts. The experience of recent years involving frequent and significant revisions in estimated revenues is due to the inherent difficulty of predicting the movements in the price of crude oil--a commodity whose volatility over the last decade cannot be exaggerated. This volatility combined with the State of Alaska's almost complete dependence on oil revenues, which in recent years account for almost 85 percent of total revenues, can sometimes lead to dramatic and unavoidable changes in the forecast.

Sincerely,



Robert D. Heath
Commissioner of Revenue

RDH:jas



ALASKA'S REVENUE SOURCES

Table of Contents

INTRODUCTION	1
REVENUE SUMMARY	2
GENERAL FUND	
Unrestricted Revenues	4
Restricted Revenues	10
SPECIAL FUNDS	12
Alaska Permanent Fund	14
REVENUE SOURCES	16
CURRENT REVIEW OF ALASKA'S REVENUES	23

Introduction

In accordance with Alaska Statute 37.07.060(b)(4) the Revenue Source Book is compiled annually to assist the Governor in formulating a proposed comprehensive financial plan for presentation to the State Legislature. Since fiscal year (FY) 1975, responsibility for compiling and publishing this summary of state revenues has come under the Department of Revenue's jurisdiction. Within the publication are shown prior year actuals, revised current year estimates, and upcoming year projections.

The state receives three major classes of income: Unrestricted, Restricted, and Special Fund Revenues.

1. Unrestricted Revenues are paid into the General Fund and may be appropriated for any purpose. These receipts are listed in the Source Book by type; i.e. Taxes, Licenses and Permits, etc.
2. Restricted Revenues are those received for specific purposes, primarily from the federal government. Only budget category totals are given.
3. Special Fund Revenues are those received into statutorily established funds such as the International Airports Revenue Fund.

Anticipated state income is projected through the use of a number of data sources: 1) An econometric model developed by the Department of Revenue's Research Section to forecast unrestricted non-petroleum revenues, 2) A petroleum revenue forecasting model created by the Department's Petroleum Revenue Division, and 3) Estimates from individual state agencies.

The Department of Revenue thanks the various state agencies for their cooperation in computing anticipated revenues for publication in this document.

Revenue Summary

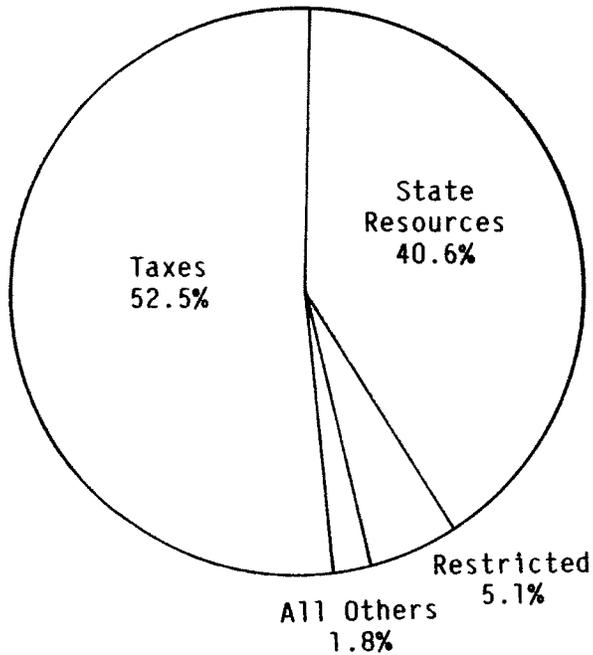
In Thousands of Current Dollars

	<u>FY 1983 Actual January</u>	<u>FY 1984 Estimate January</u>	<u>FY 1985 Estimate January</u>	<u>FY 1986 Estimate January</u>
Total General Fund Unrestricted Revenues (p. 5)	<u>3,631,000</u>	<u>3,247,400</u>	<u>3,238,200</u>	<u>3,359,000</u>
Total General Fund Restricted Revenues (p. 10)	<u>193,400</u>	<u>222,900</u>	<u>243,500</u>	<u>249,400</u>
Total General Fund Revenues (p. 10)	<u>3,824,400</u>	<u>3,470,300</u>	<u>3,481,700</u>	<u>3,608,400</u>
Alaska Permanent Fund (p. 12)	<u>821,000</u>	<u>519,200</u>	<u>319,700</u>	<u>335,300</u>

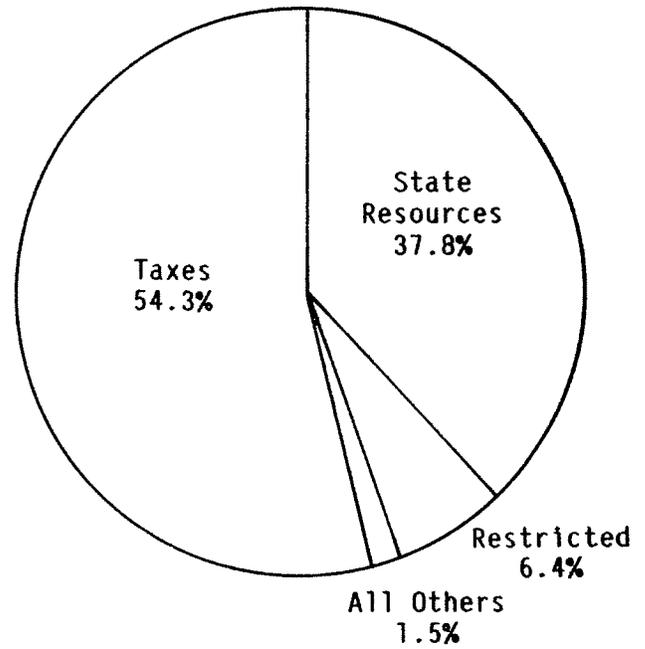
General Fund Components

Historical Comparison

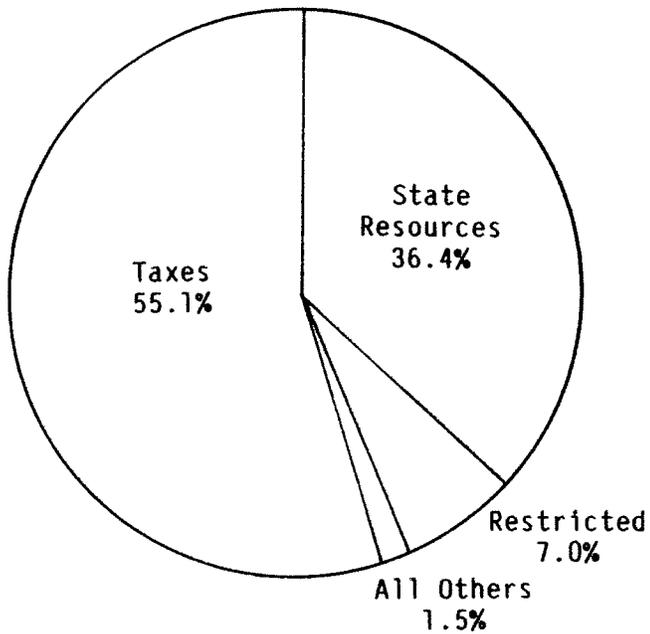
FY 83 ACTUAL



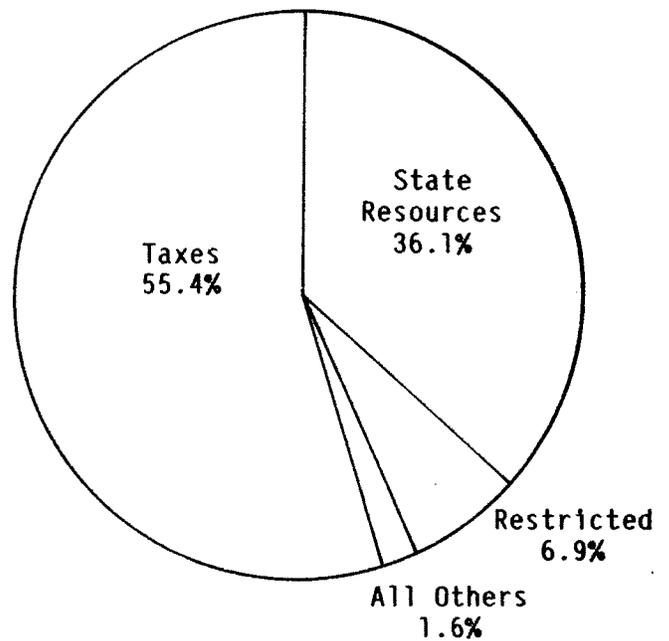
FY 84 PROJECTION



FY 85 PROJECTION



FY 86 PROJECTION



General Fund Unrestricted Revenues

In Thousands of Current Dollars

	FY 1983 Actual January	FY 1984 Estimate January	FY 1985 Estimate January	FY 198 Estimate January
<u>Taxes</u>				
<u>Income</u>				
Corporate-General (1)	30,300	33,000	38,000	40,000
Corporate-Petroleum (1)	236,000	270,000	300,000	325,000
<u>Gross Receipts</u>				
Alaska Business License	6,900	7,500	8,000	8,500
Fish-Canned Salmon	4,300	5,500	5,500	5,500
Fish-Shorebased	11,500	9,000	9,000	9,000
Fish-Floating	4,700	4,000	4,000	4,000
Seafood Marketing	900	900	900	900
Salmon Enhancement	2,600	2,500	2,500	2,500
Insurance Companies	13,800	17,000	20,000	22,000
Electric and Telephone Co-ops	1,400	1,500	1,500	1,600
Mining License Tax	200	200	300	300
<u>Severance</u>				
Oil & Gas Production(2)	1,493,000	1,299,000	1,253,300	1,299,400
Oil & Gas Conservation	700	700	700	700
<u>Property</u>				
Oil & Gas(3)	152,600	185,400	222,200	226,400
<u>Sale/Use</u>				
Alcoholic Beverages (4)	10,400	14,000	15,500	16,000
Fuel Taxes-Aviation (5)	8,700	7,000	6,000	6,300
Fuel Taxes-Highway (5)	23,700	22,000	24,000	25,000
Fuel Taxes-Marine	4,300	4,100	4,300	4,500
Tobacco Products	2,000	2,000	2,000	2,000
<u>Other</u>				
Estate	700	600	600	600
Total Taxes	<u>2,008,700</u>	<u>1,885,900</u>	<u>1,918,300</u>	<u>2,000,200</u>
<u>Licenses & Permits</u>				
Business	10,800	12,000	12,500	13,000
Non-Business	14,900	14,500	15,300	16,000
Total Licenses & Permits	<u>25,700</u>	<u>26,500</u>	<u>27,800</u>	<u>29,000</u>
<u>Intergovernmental Receipts</u>				
Federal Shared Revenues(6)(7)	<u>33,300</u>	<u>16,500</u>	<u>16,500</u>	<u>17,000</u>
<u>State Resource Revenue</u>				
<u>Sale/Use</u>				
Bonus Sales(6)(8)(9)	36,200	1,400	-0-	-0-
Investment Earnings(10)	375,800	300,000	250,000	230,000
Rents(6)(8)(9)	4,300	4,600	4,800	5,000
Royalties(2)(6)	1,078,400	940,100	945,800	992,300
Sale of State Property	6,300	7,400	8,000	8,600
Gravel, Timber, etc.(11)	4,000	4,000	4,000	10,000

<u>Facilities Related Charges</u>				
Airports	1,400	1,500	1,500	1,600
Ferry System-Southeast	26,400	29,300	30,800	33,600
Ferry System-Southwest	4,000	4,000	4,000	4,500
Other	5,500	6,000	6,000	6,000
<u>Service Related Charges</u>				
Court System	4,200	4,200	4,200	4,200
Other	5,900	6,000	6,500	7,000
Total State Resources Revenues	<u>1,552,400</u>	<u>1,308,500</u>	<u>1,265,600</u>	<u>1,302,800</u>
Miscellaneous Revenues	<u>10,900</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>
Total Unrestricted Revenues	<u>3,631,000</u>	<u>3,247,400</u> (12)	<u>3,238,200</u>	<u>3,359,000</u>

(1) AS 43.21 was repealed pursuant to Ch. 116 SLA 1981 effective January 1982, and thereby all multistate corporations were subject to various apportionment methods specified in AS 43.20. Due to the number of inquiries requesting information, collections are separated between those oil/gas corporations filing under AS 43.20.072 and those corporations filing otherwise.

(2) The forecasted numbers for FY 84, FY 85, and FY 86 represent the 30 percent cumulative frequency distribution (that is, the revenue level which was reached or exceeded seven times out of ten in the 500 cases generated by the computer); if, however, the mean case had been utilized instead, the aforementioned numbers would change to \$1,355.0 million \$1,375.7 million, and \$1,469.9 million for production taxes during FY 84, FY 85, and FY 86, respectively. The royalty numbers would change to \$981.9 million, \$1,036.4 million, and \$1,125.6 million for FY 84, FY 85, and FY 86, respectively.

(3) The figures reflect only the net amount to the state's General Fund.

(4) Estimates reflect the following increased liquor taxes per Ch. 46 SLA 1983 effective July 9, 1983: malt beverages (from \$0.25 to \$0.35 per gallon); wines (from \$0.60 to \$0.85 per gallon); and hard liquor (from \$4.00 to \$5.60 per gallon).

(5) In FY 83, large fuel purchases were made from a consortium, and application for refund of airline jet fuel tax was applied for when the fuel was used for foreign flights. These refunds were taken from the highway fuel tax account as prescribed in AS 43.40.010(h), thereby reducing net highway fuel taxes. Recent changes in statute allow for exemption from the tax at purchase (AS 43.40.010(k)(1)); therefore reducing taxable jet fuel purchases and increasing projected net highway fuel taxes over previous estimates.

(6) Net Permanent Fund contribution by Ch. 18 SLA 1980.

(7) The FY 83 figure reflects NPR-A lease sales of \$57.1 million held January 27, 1982, and \$9.7 million held May 26, 1982, with the total amount of the lease sale split equally between the state and federal government. The state's share (\$33.4 million) is further equally divided between the General Fund and the Permanent Fund. The FY 84 estimate does not include any revenues shared (50/50 basis) with the federal government from the NPR-A lease sale held July 20, 1983. Although high bids totaled \$16.7 million, leases have not been awarded until challenges of the sale by the State of Alaska and the City of Barrow/Alaska Legal Services are resolved.

(8) Reflects state lease sales of \$32.5 million held May 26, 1982 (Sale 36--Beaufort Sea), \$0.7 million held August 25, 1982 (Sale 37--Tanana and Copper River Basins and Sale 37A--Chakok River), \$26.7 million held September 28, 1982 (Sale 34--Prudhoe Bay Uplands), \$21.0 million held May 17, 1983 (Sale 39--Beaufort Sea), and \$3.2 million held September 28, 1983 (Sale 40--Upper Cook Inlet). Due to the timing of collections, some receipts from the May 1982 lease sale are shown as FY 83 revenue. FY 83 and FY 84 figures represent the General Fund's 50 percent share with the remaining 50 percent deposited in the Permanent Fund.

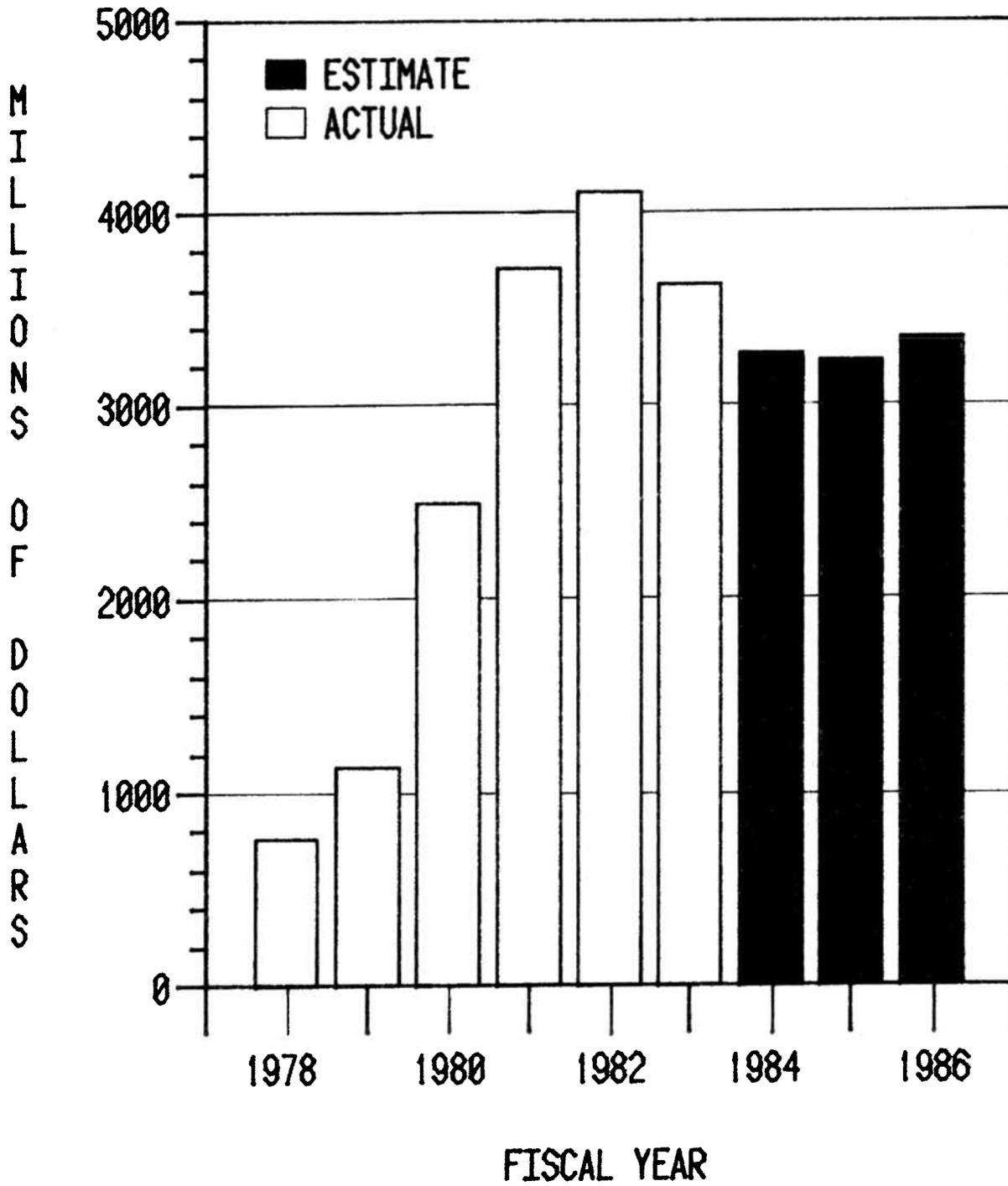
(9) The Department of Natural Resources projects the following state lease sales to be held in 1984, 1985, and 1986; FY 84 (Sale 42--Minchumina, Sale 43--Beaufort Sea); FY 85 (Sale 41--Bristol Bay Uplands, Sale 46--Holitna Basin, Sale 47--Kuparuk Uplands); and FY 86 (Sale 45--Hope Basin, Sale 48--Kuparuk Uplands, Sale 49--Cook Inlet). However, bonus bids are impossible to anticipate prior to sales and, therefore, no estimates are included.

(10) FY 83 includes that transition portion transferred (\$109,535,000) from the Permanent Fund to the General Fund per Ch. 81 SLA 1982. FY 84, FY 85, and FY 86 reflect only General Fund investment earnings since Permanent Fund earnings will be not only transferred to provide Permanent Fund dividends, but will be distributed between the Permanent Fund principal and the undistributed income account per Ch. 81 and Ch. 102 SLA 1982.

(11) Estimates reflect increased construction of roads and drilling pads as projected by the Department of Natural Resources.

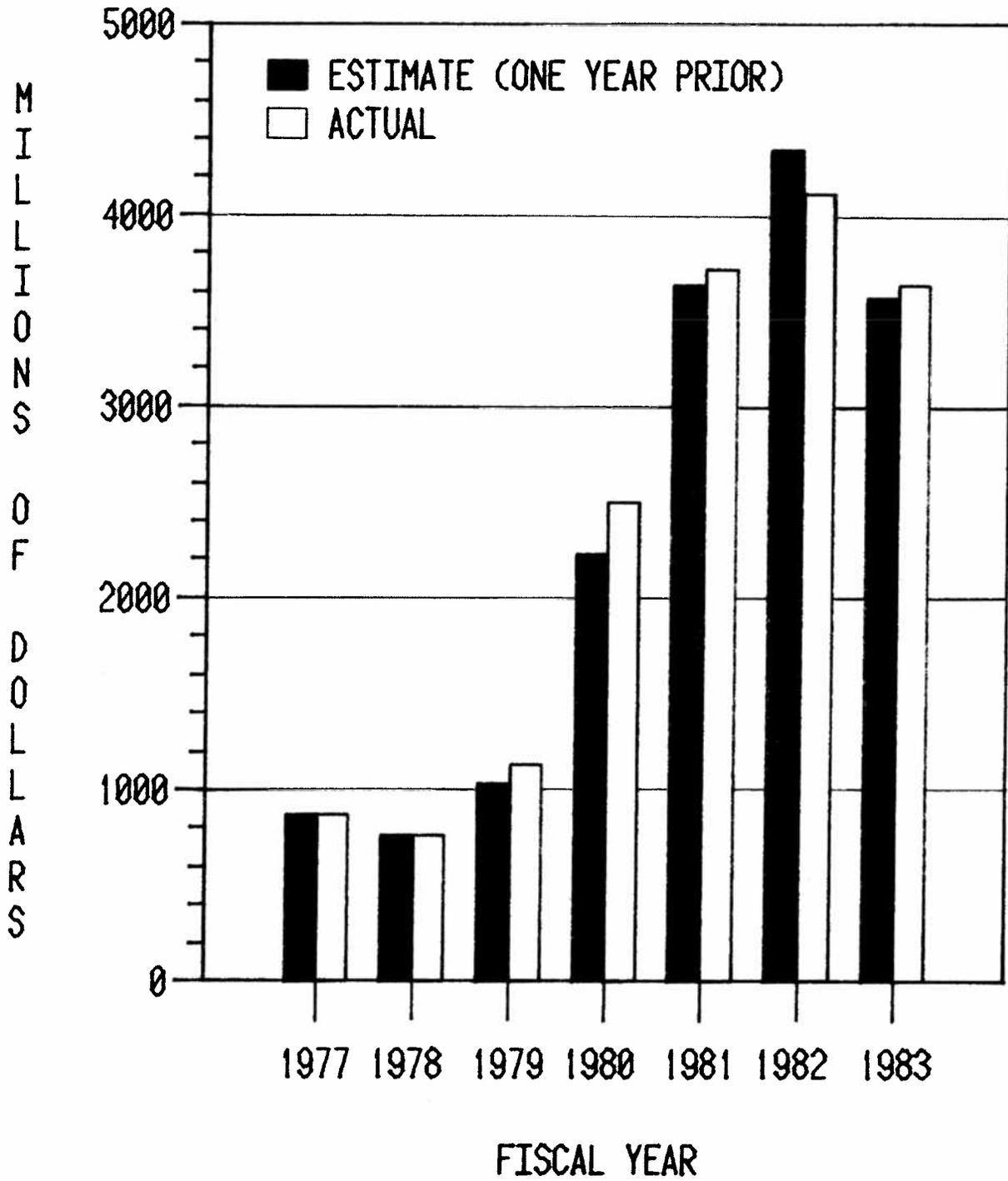
(12) The state, per AS 38.05.180, will be granting incentive credits against royalties, severance taxes, and rentals to the oil companies for drilling exploratory wells. The anticipated deduction for FY 84 is approximately \$12 million which has not been subtracted from the aforementioned FY 84 figure of \$3,247.4 million.

Unrestricted Revenues



Unrestricted Revenues

Historical Comparison



Revenue Breakdown

The total General Fund unrestricted revenues for Fiscal Years 1983, 1984, 1985, and 1986 are projected to be \$3,631.0 million, \$3,247.4 million, \$3,238.2 million, and \$3,359.0 million, respectively.

The following table depicts a breakdown of General Fund unrestricted revenues in terms of petroleum versus non-petroleum revenues based on the January estimates:

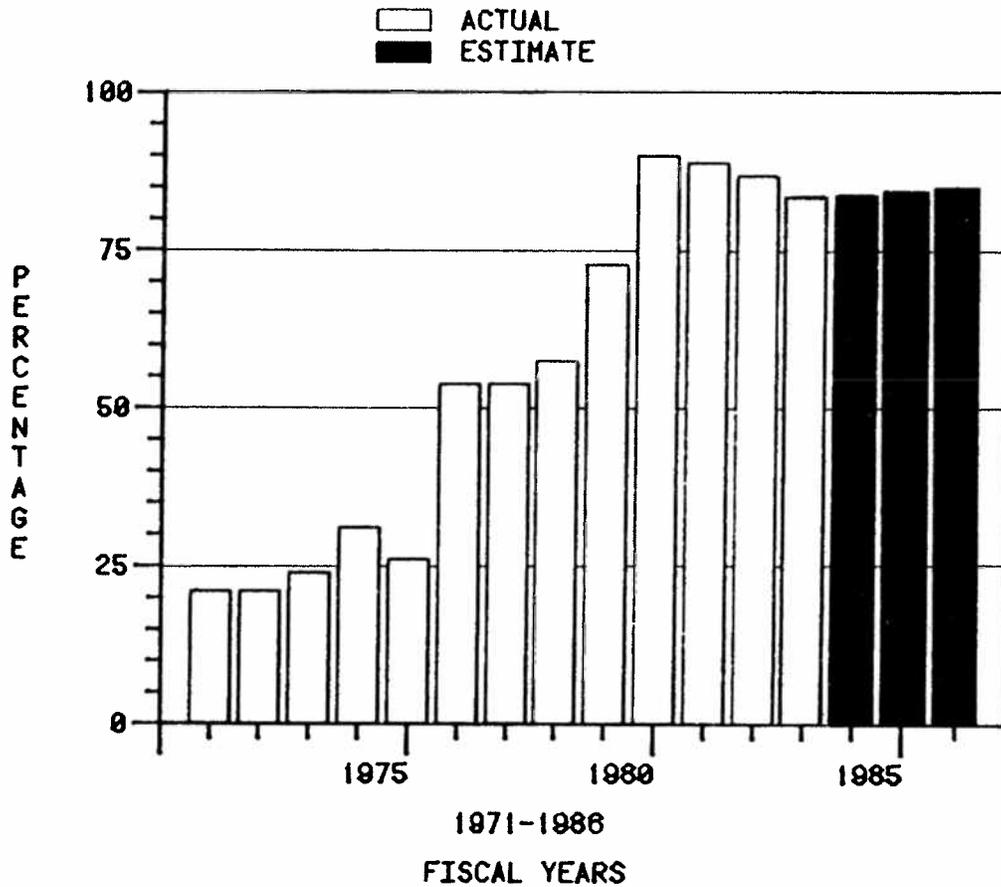
Petroleum vs. Non-Petroleum Revenues

(In Millions of Current Dollars)

	<u>Petroleum Revenues</u>			
	<u>FY 83</u>	<u>FY 84</u>	<u>FY 85</u>	<u>FY 86</u>
Corporate Petroleum	236.0	270.0	300.0	325.0
Severance Tax	1,493.7	1,299.7	1,254.0	1,300.1
Royalties	1,078.4	940.1	945.8	992.3
Property Tax	152.6	185.4	222.2	226.4
Bonus Sale	36.2	1.4	-0-	-0-
Rents	2.5	2.9	2.9	3.0
Intergovernmental Receipts	27.2	10.0	10.0	10.5
	<u>3,026.6</u>	<u>2,709.5</u>	<u>2,734.9</u>	<u>2,857.3</u>
	<u>Non-Petroleum Revenues</u>			
	<u>FY 83</u>	<u>FY 84</u>	<u>FY 85</u>	<u>FY 86</u>
Taxes	126.4	130.8	142.1	148.7
Licenses & Permits	25.7	26.5	27.8	29.0
Intergovernmental Receipts	6.1	6.5	6.5	6.5
State Resources Revenues	435.3	364.1	316.9	307.5
Miscellaneous Revenues	10.9	10.0	10.0	10.0
	<u>604.4</u>	<u>537.9</u>	<u>503.3</u>	<u>501.7</u>
Total	<u>3,631.0</u>	<u>3,247.4</u>	<u>3,238.2</u>	<u>3,359.0</u>

Petroleum Revenues

Historical Comparison of General Fund Unrestricted Petroleum Revenues as Percentages of General Fund Unrestricted Revenues (in Millions of Current Dollars)



<u>Fiscal Year</u>	<u>Total General Fund Unrestricted Revenues</u>	<u>Total General Fund Unrestricted Petroleum Revenues</u>	<u>Percent</u>
1971	220.4	47.0	21
1972	219.2	48.4	22
1973	208.2	50.3	24
1974	254.9	80.2	31
1975	333.4	90.4	27
1976	709.8	391.5	55
1977	874.3	477.6	55
1978	764.9	441.5	58
1979	1,133.0	821.6	73
1980	2,501.2	2,256.5	90
1981	3,718.2	3,304.3	89
1982	4,108.4	3,574.8	87
1983	3,631.0	3,026.6	83
1984**	3,247.4	2,709.5	83
1985**	3,238.2	2,734.9	84
1986**	3,359.0	2,857.3	85

** Estimate

Restricted Revenues

In Thousands of Current Dollars

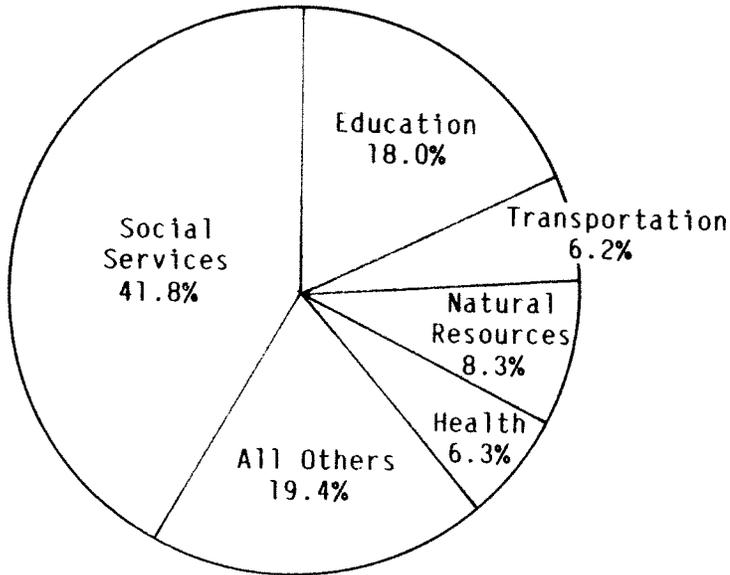
	FY 1983 Actual <u>January</u>	FY 1984 Estimate <u>January</u>	FY 1985 Estimate <u>January</u>	FY 1986 Estimate <u>January</u>
<u>Federal Grants-in-Aid</u>				
I. Education	33,800	40,800	46,000	46,400
II. Social Services	80,700	99,100	107,000	108,800
III. Health	11,900	3,400	4,000	3,800
IV. Natural Resources	15,000	14,600	14,700	15,200
V. Public Protection	5,300	5,400	6,000	6,600
VI. Administration of Justice	400	100	100	100
VII. Development	6,500	2,700	2,700	2,900
VIII. Transportation	11,000	30,000	30,000	32,000
IX. General Government	<u>2,100</u>	<u>100</u>	<u>100</u>	<u>100</u>
Total Federal Grants-in-Aid	<u>166,700</u>	<u>196,200</u>	<u>210,600</u>	<u>215,900</u>
<u>Other Grants-in-Aid</u>				
I. Education	1,000	500	600	700
II. Social Services	200	5,200	5,600	5,600
III. Health	200	300	300	300
IV. Natural Resources	1,000	300	200	300
V. Public Protection	2,300	2,300	2,000	2,000
VI. Administration of Justice	100	100	100	200
VII. Development	3,100	4,600	10,000	10,200
VIII. Transportation	900	1,100	1,700	1,700
IX. General Government	<u>2,200</u>	<u>2,300</u>	<u>2,400</u>	<u>2,500</u>
Total Other Grants-in-Aid	<u>11,000</u>	<u>16,700</u>	<u>22,900</u>	<u>23,500</u>
Miscellaneous Restricted Revenue-All Categories	<u>15,700</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>
Total Restricted Revenue ^{1/}	<u>193,400</u>	<u>222,900</u>	<u>243,500</u>	<u>249,400</u>
Total Unrestricted Revenue	<u>3,631,000</u>	<u>3,247,400</u>	<u>3,238,200</u>	<u>3,359,000</u>
Total General Fund Revenue	<u>3,824,400</u>	<u>3,470,300</u>	<u>3,481,700</u>	<u>3,608,400</u>

^{1/} Restricted Revenue figures may not agree with those shown in the Governor's budget due to categorical differences between the budget and accounting system.

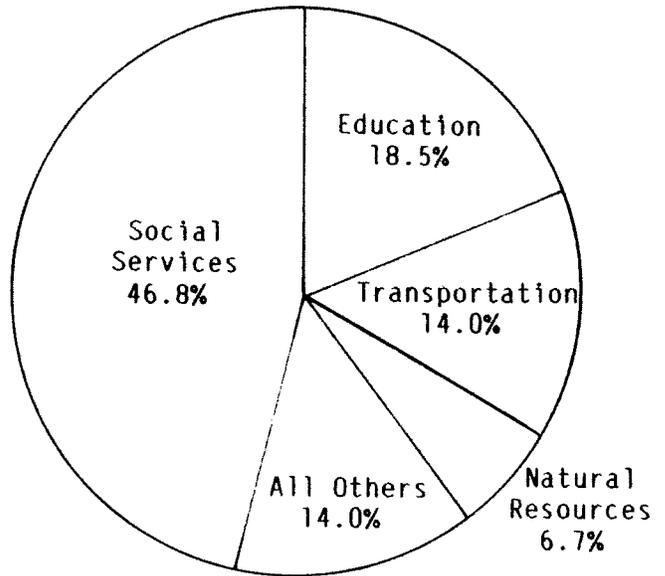
Restricted Revenues

Historical Comparison

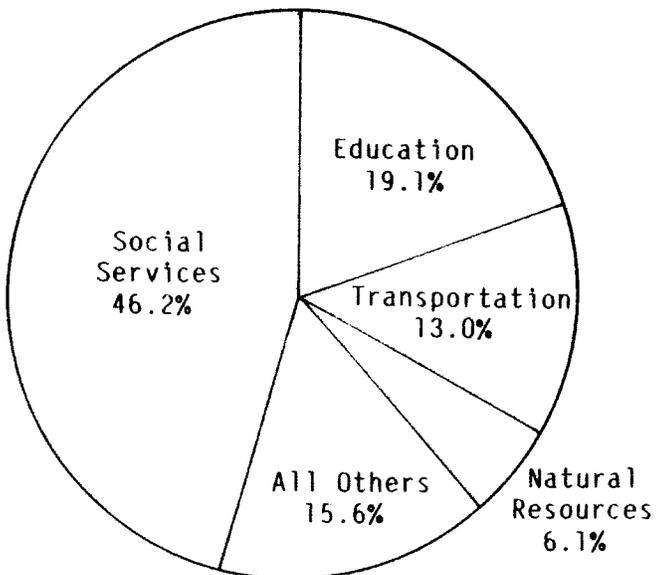
FY 83 ACTUAL



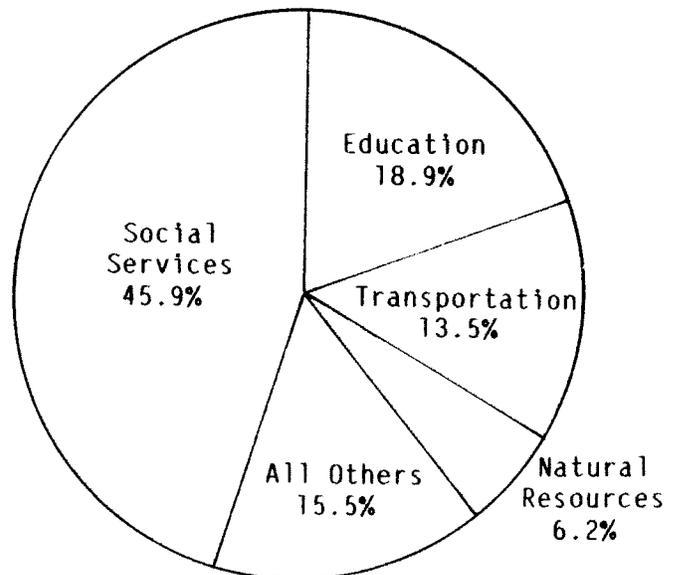
FY 84 PROJECTION



FY 85 PROJECTION



FY 86 PROJECTION



Special Funds

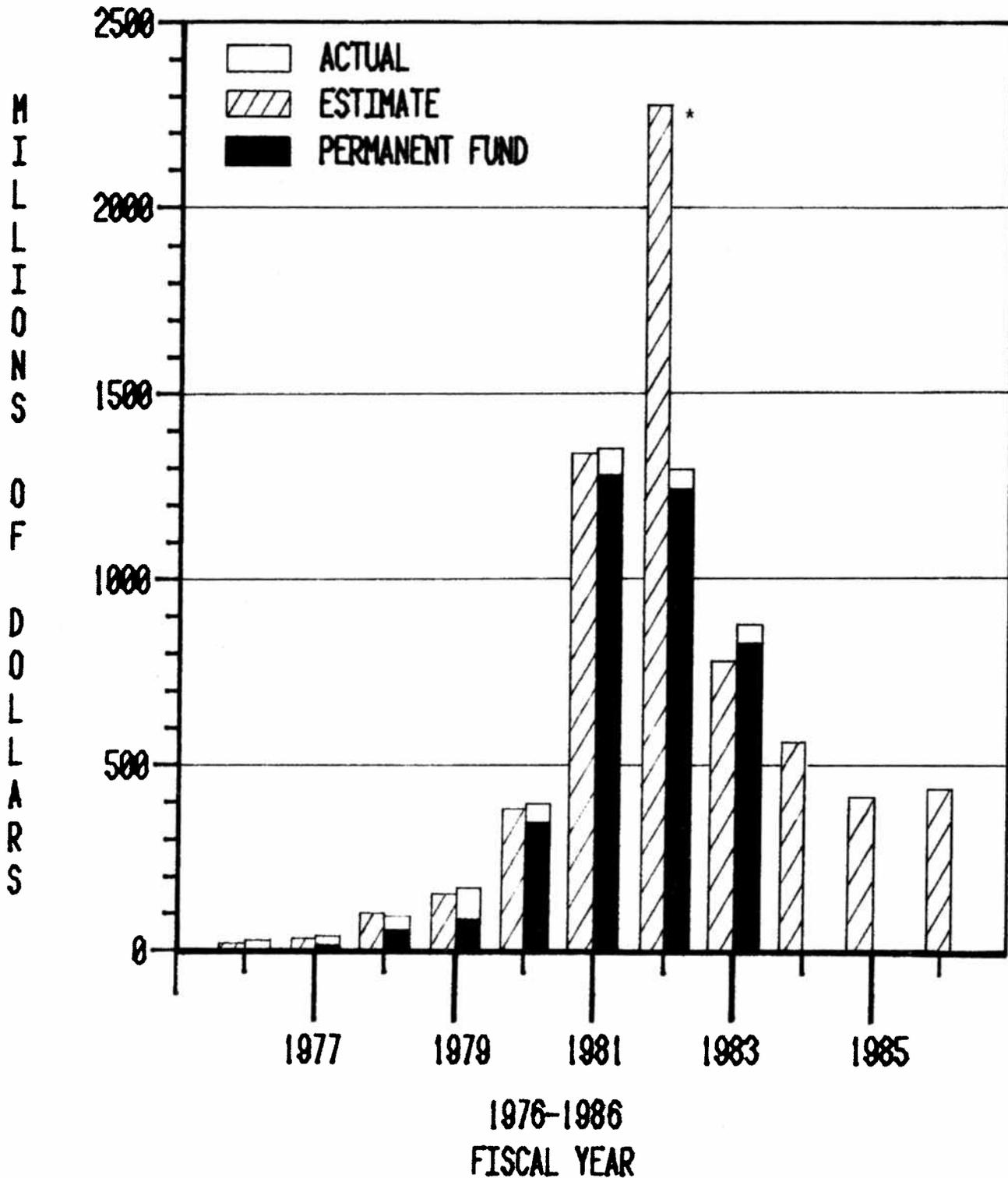
In Thousands of Current Dollars

	FY 1983 Actual <u>January</u>	FY 1984 Estimate <u>January</u>	FY 1985 Estimate <u>January</u>	FY 1986 Estimate <u>January</u>
<u>Enterprise Funds</u>				
Agriculture Loan Fund	1,200	1,400	1,600	1,800
Alternative Technology and Energy Loan Fund	400	600	600	1,000
Bulk Fuel Loan Fund	-0-	-0-	-0-	-0-
Child Care Facility Loan Fund	-0-	-0-	100	100
Commercial Fish Loan Fund	2,100	3,400	4,300	5,200
Fisheries Enhancement Loan Fund	-0-	-0-	-0-	-0-
Fisheries Product Loan Fund	-0-	-0-	-0-	-0-
Historical District Loan Fund	-0-	-0-	-0-	-0-
International Airport Revenue Fund	31,600	30,200	29,900	29,900
Medical Malpractice Loan Fund	-0-	-0-	-0-	-0-
Mining Loan Fund	700	1,900	2,200	2,800
Residential Energy Conservation Loan Fund	200	300	400	500
Scholarship Loan Fund	700	1,300	1,800	2,500
Small Business Loan Fund	4,700	3,400	3,200	2,900
Tourism Loan Fund	300	300	300	300
World War II Veterans Loan Fund	<u>1,000</u>	<u>1,300</u>	<u>1,000</u>	<u>1,000</u>
Total Enterprise Funds	<u>42,900</u>	<u>44,100</u>	<u>45,400</u>	<u>48,000</u>
<u>Special Revenue Funds</u>				
Alaska Permanent Fund (1)	821,000	519,200	319,700	335,300
Fish and Game Fund	6,400	6,500	7,600	7,700
Marine Coastal Damage Fund	-0-	-0-	-0-	-0-
School Fund	3,300	3,300	3,300	3,300
Training & Building Fund	<u>700</u>	<u>800</u>	<u>800</u>	<u>800</u>
Total Special Revenue Funds	<u>831,400</u>	<u>529,800</u>	<u>331,400</u>	<u>347,100</u>
Total Special Funds	<u>874,300</u>	<u>573,900</u>	<u>376,800</u>	<u>395,100</u>

(1) The FY 83 figure and FY 84 figure include \$400 million and \$200 million, respectively, of the \$1.8 billion appropriated to the Alaska Permanent Fund per Ch. 61 SLA 1981 and Ch. 101 SLA 1982.

Special Funds

Historical Comparison



* The FY 82 estimate originally included the \$1.8 billion appropriation (Ch. 61 SLA 1981) to the Permanent Fund in its entirety.

Alaska Permanent Fund

In Thousands of Current Dollars

Permanent Fund Principal

<u>FY</u>	<u>Mineral Revenues</u>	<u>Appropriations</u>	<u>Inflation Proofing</u>	<u>Total Contributions</u>	<u>Balance</u>
1977	4,000	-0-	-0-	4,000	4,000
1978	50,500	-0-	-0-	50,500	54,500
1979	83,900	-0-	-0-	83,900	138,400
1980	344,800 (1)	-0-	-0-	344,800	483,200
1981	385,100	900,000	-0-	1,285,300 (2)	1,768,500
1982	400,500	800,000	-0-	1,200,500	2,969,000
1983	421,000	400,000	231,200	1,052,200	4,021,200
1984	113,400 (3)	100,000	-0-	213,400	4,234,600 (3)

Earnings Distribution

<u>FY</u>	<u>General Fund</u>	<u>Dividend Account</u>	<u>Inflation Proofing</u>	<u>Undistributed Income Account</u>	<u>Total Earnings</u>
1977	-0-	-0-	-0-	-0-	-0-
1978	1,300	-0-	-0-	-0-	1,300
1979	6,500	-0-	-0-	-0-	6,500
1980	11,800	11,800	-0-	-0-	23,700
1981	27,500	27,500	-0-	31,200	86,200
1982	71,100	71,100	-0-	174,700	317,000
1983	109,500 (4)	107,900 (5)	231,200	22,500 (6)	471,100

(1) Includes \$114.5 million as 25 percent of bonuses and rentals for the undisputed state portion of the Beaufort Sea Lease Sale. Litigation over the legality of that sale is still pending.

(2) Includes \$219,000.00 transfer of net investment gains to principal.

(3) Represents cumulative balance as of October 31, 1983.

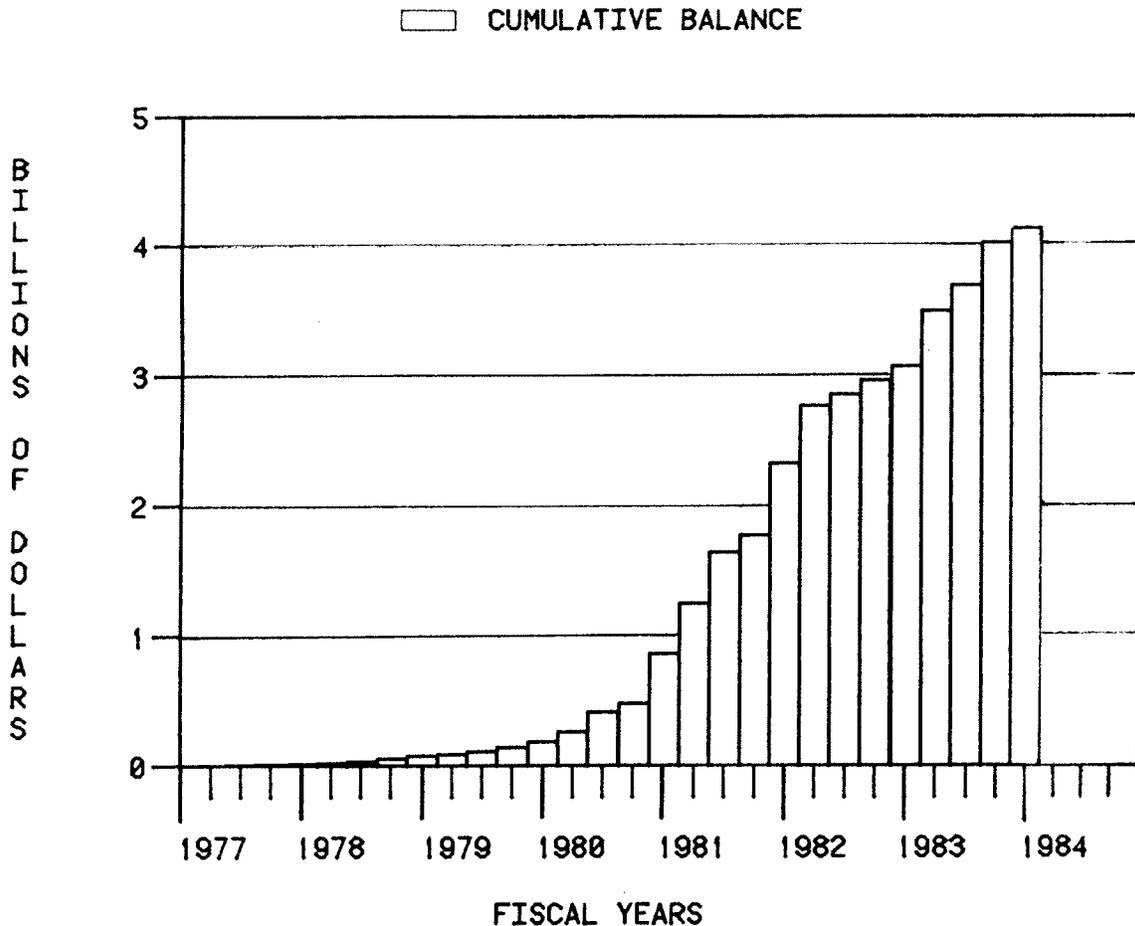
(4) Ch. 81, SLA 1982 provided transitional procedures whereby an amount equal to the distributable income for 1983 would be transferred from the Undistributed Income Account to the General Fund. This would then be the final General Fund contribution which is not destined for the dividend program.

(5) Ch. 107, SLA 1983 appropriated \$179,020,000 to the Undistributed Income Account for payment of Permanent Fund dividends and FY 84 operating expenses (\$3,084,000) of the Permanent Fund program. In FY 82 approximately \$71.1 million was transferred to the Dividend Account. The remaining balance of the appropriation, composed of dividend payments and operating expenses, was transferred to the Dividend Account in FY 83.

(6) Balance of the Undistributed Income Account, as of June 30, 1983, totaled \$353.8 million which also included the transition rule adjustment of \$87.5 million plus \$37.9 million which accrued in FY 82 but was not received until FY 83.

Alaska Permanent Fund

Historical Comparison of Cumulative Balance



Alaska Permanent Fund

The Alaska Permanent Fund was established by a constitutional amendment effective February 21, 1977. The amendment stated that contributions to the fund must consist of at least 25 percent of mineral lease rentals, royalties, royalty sale proceeds, Federal mineral revenue sharing payments and bonuses received by the State. Enacted legislation (Ch. 18 SLA 1980) has modified this contribution rate to the Permanent Fund from 25 percent to 50 percent. As a result, any future revenues transferable from Beaufort Sea production and any future lease sale bonuses will be subject to the 50 percent rate. During FY 1981, a special appropriation (Ch. 35 SLA 1980) appropriated \$900 million from the General Fund to the Permanent Fund. Similarly, an additional \$1.8 billion was appropriated (Ch. 61 SLA 1981) for FY 1982 with payments beginning July 1, 1981; however, this appropriation was legislatively amended (Ch. 101 SLA 1982) thus permitting deposit of only \$800 million in FY 82 and an additional deposit of \$400 million in FY 83. An additional \$100 million of this appropriation was deposited in the Permanent Fund during August, 1983, as well as, another \$100 million during December, 1983, leaving a balance due of \$400 million.

Revenue Sources

Income Taxes

CORPORATE

The tax is imposed on the entire taxable income of every corporation derived from sources within Alaska, and apportioned under graduated rates and varying conditions as specified in AS 43.20.

Due Date

September 30 of each year, including prepayments of estimated tax in four quarterly installments

Allocation

General Fund/
shared with political sub-
divisions

(Administered by the Department of Revenue.)

Gross Receipts Taxes

BUSINESS LICENSE

License fee for each business is \$25.00. In addition, national and state banks, trust companies, and savings and loan associations are taxed 7% of net income. (AS 43.70)

Due Date

Before the 15th day of the third month following the end of the tax year

Allocation

General Fund

(Administered by the Department of Revenue.)

COMMERCIAL FISH

Includes tax receipts for raw fish, shore-based and floating fisheries businesses. (AS 43.75)

- Raw fish tax for canned salmon is 4.5% of value
- Shore-based fisheries businesses are taxed at the rate of 3% of value, except a 1% tax is levied when developing commercial fish species are processed.
- Floating fisheries businesses are taxed at 5% of value, except a 3% tax is levied when developing commercial fish species are processed.

Due Date

Allocation

Various dates

General Fund/Shared with political subdivisions

(Administered by the Department of Revenue.)

SALMON ENHANCEMENT

Limited entry permit holders within qualified regional aquaculture associations are levied a tax rate of either 2% or 3% of value of salmon. (AS 43.76)

Due Date

Allocation

By last day of month for prior month

General Fund

(Administered by the Department of Revenue.)

SEAFOOD MARKETING

An assessment is levied upon eligible seafood processors at a rate of 0.2% of value of seafood products purchased in Alaska. (AS 16.51)

Due Date

Allocation

April 1 for the prior calendar year.

General Fund

(Administered by the Department of Revenue.)

INSURANCE PREMIUM

The following rates are on gross premiums less certain deductibles as permitted by AS 21.09.210 and 21.66.110.

Life Companies	3%
P&C Companies	3%
Domestic Companies	1 1/2%
Net Hospital Service	6%
Title Companies	1%
Surplus	3%
Direct/Unauthorized	3%

Due Date

Allocation

April 1 for preceding year

General Fund

(Administered by the Department of Commerce and Economic Development.)

Severance Taxes

OIL PRODUCTION

Tax is levied upon the producer of oil from each lease or property less any part exempt from taxation. It is based on either the percentage-of-value amount or the cents-per-barrel amount, whichever is greater, multiplied by an economic limit factor. (AS 43.55)

1. The percentage-of-value amount remains 12.25% of the value of production for a property coming into commercial production after June 30, 1981, for its first five years of production. Thereafter and for all other existing oil production, including Prudhoe Bay, the percentage-of-value amount is 15% of the value of production.
2. Cents-per-barrel amount equals \$0.60 per barrel of crude oil and \$0.80 per barrel for all other taxable oil.

<u>Due Date</u>	<u>Allocation</u>
Monthly - 20th day of month for prior month	General Fund

GAS PRODUCTION

The tax is levied on all gas produced from each lease or property, less any part exempt from taxation. The base tax rate for gas is \$0.64 per thousand cubic feet of taxable gas or 10% of the gross value of taxable production calculated at the point of production, whichever is greater, multiplied by an economic limit factor. (AS 43.55)

<u>Due Date</u>	<u>Allocation</u>
Monthly - 20th day of month for prior month	General Fund

(Administered by the Department of Revenue.)

Property Taxes

OIL AND GAS

The oil and gas property tax is levied at 20 mills on the full and true value of taxable property used in oil and gas exploration and production. (AS 43.56)

<u>Due Date</u>	<u>Allocation</u>
June 30	General Fund

(Administered by the Department of Revenue.)

Sales/Use Taxes

FUEL

Tax is levied on aviation fuel, highway fuel, and marine fuel at the following rates. (AS 43.40)

Aviation fuel: 4¢ per gallon on aviation gas and 2 1/2¢ per gallon on aviation jet fuel.

Highway fuel: Gasoline and diesel fuel is taxed at the rate of 8¢ per gallon. "Off-highway" users may claim a refund of 6¢ per gallon on motor fuel within one year of purchase if the 8¢ tax was paid.

Marine fuel: Rate is 5¢ per gallon for fuel used in engines for the propulsion of boats and watercraft.

<u>Due Date</u>	<u>Allocation</u>
By last day of month for prior month	General Fund

(Administered by the Department of Revenue.)

ALCOHOLIC BEVERAGE

Tax rates are based on alcoholic content: Malt beverages (1% or more alcohol) \$0.35 per gallon; wine (21% or less alcohol) \$0.85 per gallon; hard liquor (more than 21% alcohol) \$5.60 per gallon. (AS 43.60)

<u>Due Date</u>	<u>Allocation</u>
By last day of month for prior month	General Fund

(Administered by the Department of Revenue.)

CIGARETTE

A tax of 4 mills is levied on each cigarette imported or acquired in the state. Additional license fees follow. (AS 43.50)

Manufacturers	\$5
Vending Machine Operator	\$25
Direct-Buying Retailer	\$25
Buyer	\$25
Distributor	\$50

<u>Due Date</u>	<u>Allocation</u>
By last day of month for prior month	1 1/2 mills of total tax collected goes to General Fund; 2 1/2 mills of tax collected and license fees go to School Fund.

(Administered by the Department of Revenue.)

Licenses and Permits

BUSINESS

Includes receipts from alcoholic beverage licenses, commercial fishing licenses, professional and occupational licenses, and various regulatory permits. (Various statutes)

<u>Due Date</u>	<u>Allocation</u>
Various	General Fund/Revenues from alcoholic beverage licenses shared with political subdivisions.

(Administered by several departments.)

NON-BUSINESS

Includes receipts from hunting, trapping and sports fishing licenses, motor vehicle instruction permits, title transfers, registration fees, and driver licenses. (Various statutes)

<u>Due Date</u>	<u>Allocation</u>
Various	General Fund/Special Fund

(Fish and Game licenses administered by the Department of Revenue)

(Motor vehicle licenses administered by the Department of Public Safety)

Intergovernmental Receipts

FEDERAL SHARED REVENUE

Includes receipts from the federal government on timber sales and mineral rents and royalties. The state's share is a percentage of the proceeds derived from these federal lands. (AS 41.15 and Pub. L. 85-505, § 3)

Due Date

Federal cut-off dates are March 30 and September 30. Share received 4-6 weeks after cut-off date.

Allocation

General Fund
25% to Permanent Fund
50% to Permanent Fund (Royalties and Bonuses received on leases issued after December 1, 1979 and February 15, 1980 per Ch 18 SLA 1980)

(Administered by the Department of Natural Resources.)

State Resources Revenue

INVESTMENT EARNINGS

Includes interest at varying rates from the state's investment portfolio, and interest on bank deposits. (AS 37.10)

Due Date

Various dates

Allocation

General Fund

(Administered by the Department of Revenue.)

ROYALTIES

Includes royalties from hard minerals, oil and gas. (AS 38.05)

Due Date

Monthly

Allocation

General Fund
25% to Permanent Fund
50% to Permanent Fund (Royalties received on leases issued after December 1, 1979 and February 15, 1980, per Ch 18 SLA 1980)

(Administered by the Department of Natural Resources.)

FACILITIES RELATED CHARGES

These include receipts from airports, the ferry system, food services, hospital fees, and other state facilities charges. (Various statutes)

Due Date

Allocation

Various dates

General Fund

(Administered by several departments.)

SERVICE RELATED CHARGES

Includes receipts from statutory inspection fees, the court system, and other state service charges. (Various statutes)

Due Date

Allocation

Various dates

General Fund

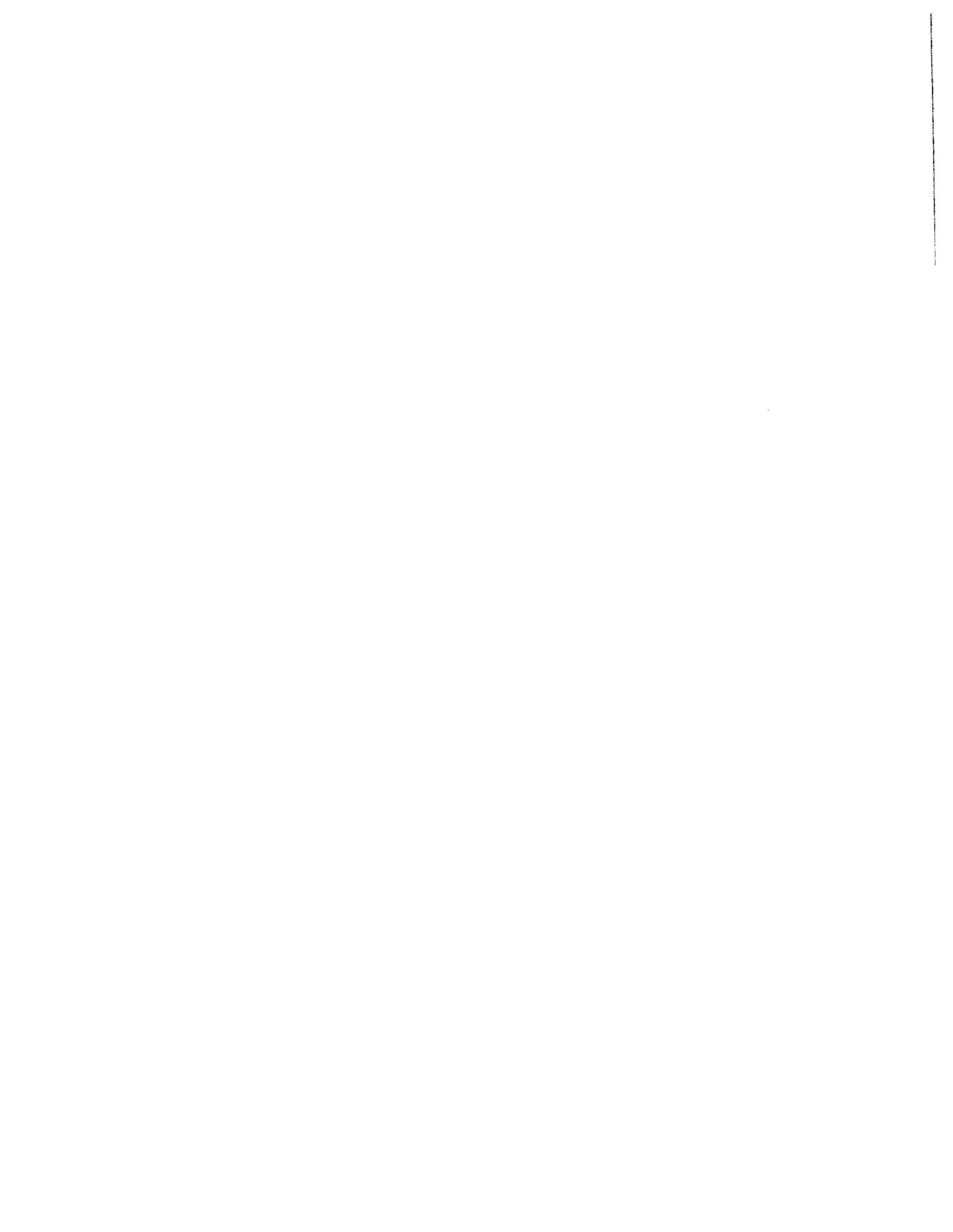
(Administered by several departments.)

CURRENT REVIEW OF ALASKA'S REVENUES

The following report presents a brief analysis of FY 83 revenues, and compares these current actuals to previous revenue collections. It further reviews the state's dependency upon petroleum revenues and various factors which affect the level of petroleum revenues.

Department of Revenue
January 1984

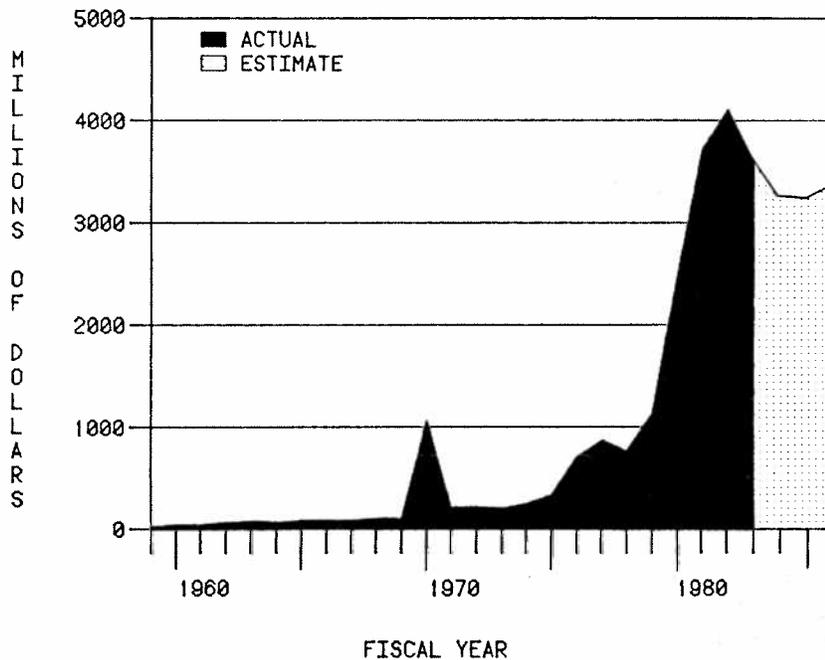
Prepared by: Bob Elliott
Research Analyst



FY 83 Revenues

General Fund unrestricted revenues in FY 83 declined for the first time since FY 78. During the past five years, revenues had grown from \$764.9 million in FY 78 to \$4,108.4 million in FY 82, a 437 percent increase. Unfortunately, this trend did not continue in FY 83 when revenues dropped to \$3,631.0 million, a 12 percent decrease from the previous year. Figure 1 reflects the FY 83 revenue decline, as well as, illustrating all prior actuals since statehood and projected January estimates (30% case) for FY 84, FY 85, and FY 86. In examining Figure 1, it is clear that the revenue picture is not expected to improve with further decline anticipated for FY 84 and FY 85; however, slight improvement is forecasted for FY 86. It should be noted that although the above current dollar estimate for FY 86 provides a slight improvement, in terms of real dollars, FY 86 revenues should continue to decline.

FIGURE 1
HISTORICAL COMPARISON OF GENERAL FUND
UNRESTRICTED REVENUES
(IN CURRENT DOLLARS)



Even though revenues declined this past year, FY 83 still recorded the third largest revenue collection in the state's history, with FY 82 and FY 81 being first and second, respectively. Furthermore, these past three years have accounted for almost \$11.5 billion in revenues, or over one-half of the total unrestricted revenues collected since statehood (\$20.5 billion). Therefore, current state revenues, though declining this past year, are still considerable, and still primarily dependent upon petroleum development and production.

FY 83 unrestricted revenues were composed of approximately 83 percent petroleum-based revenues. The state's dependency upon petroleum revenues can be seen in Table 1 where the top five revenue sources of FY 83 are ranked by revenue collections (in millions of dollars) and by percentage of total unrestricted revenues. The combined total for these top five revenue sources accounts for almost 92 percent of total unrestricted revenues, with four out of the five being directly related to petroleum. It should also be noted that the majority of investment earnings stem from state invested petroleum revenues.

Until recently, investment earnings have not been very significant, except for the bulge in investment earnings from FY 1971-1974 (see Figure 2) which was due to investment activity based on the North Slope lease sale investment account. However, during this past year, investment earnings have become the third major revenue source behind severance taxes and royalties (Table 1).

Table 1
Top Five Unrestricted Revenue Sources
- FY 83 -

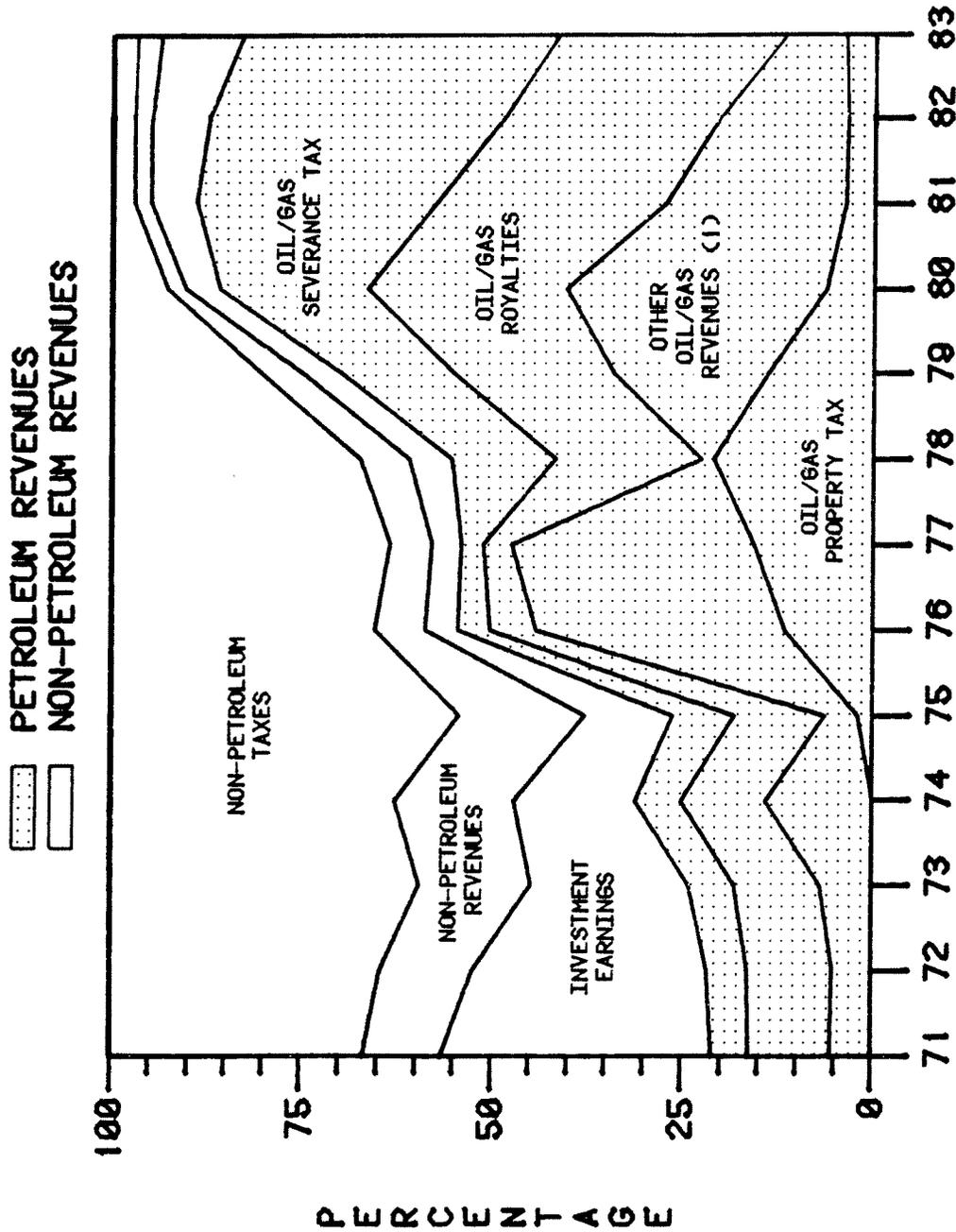
<u>Rank</u>	<u>Revenue Source</u>	<u>Collected</u>	<u>% of Total</u>
1	Oil/Gas Severance Tax	1,493.7m	41.1
2	Oil/Gas Royalties	1,078.4m	29.7
3	Investment Earnings	375.8m	10.4
4	Oil/Gas Corporate Tax	236.0m	6.5
5	Oil/Gas Property Tax	<u>152.6m</u>	<u>4.2</u>
	Total	<u>3,336.5m</u>	<u>91.9</u>

Petroleum Revenues

Figure 2 illustrates how different revenue sources have changed over the past thirteen years (FY 1971-1983) in their percentage composition of total General Fund unrestricted revenues each year, and how petroleum revenues have grown to such a dominant position. Tables 3 and 4 at the end of this report provide additional information for this same period on all unrestricted revenues, restricted revenues, and total General Fund revenues. In addition, historical collections from all competitive state oil and gas lease sales are displayed in Table 5.

A further detailed breakdown of specific petroleum revenues is shown in Table 2, and provides a historical comparison of these revenues from FY 1959-FY 1983. Of the \$20.5 billion collected in total unrestricted revenues since statehood, over three-quarters (\$15.8 billion) has been comprised of petroleum revenues. In terms of specific petroleum revenues

FIGURE 2
HISTORICAL COMPARISON OF REVENUE SOURCES
AS A PERCENTAGE OF GENERAL FUND UNRESTRICTED REVENUES



FY 83 DETAIL
 PERCENT \$(MILLIONS)

3.5%	\$126.4M
2.8%	\$102.2M
10.4%	\$375.8M
41.1%	\$1493.7M
29.7%	\$1078.4M
8.3%	\$301.9M
4.2%	\$152.6M
100.0%	\$3631.0M

1971-1983
FISCAL YEAR

(1) INCLUDES FEDERAL MINERAL REVENUES, MINERAL RENTS, RESERVES TAX, BONUS SALES, AND CORPORATE-PETROLEUM INCOME TAX.

Table 2
Historical Petroleum Revenues
(Millions of Dollars)

FY	Corporate Petroleum		Oil/Gas		Property		Reserve		Fed. Min.		Bonus		Rents		Royalties		Total Petroleum Revenues	Total G.F. Unrestricted Revenues	% of Total G.F. Unrestricted Revenues
	Non-Petroleum	Petroleum	Severance Tax	Property Tax	Tax	Tax	Royalties	Royalties	Sales	(1)	(1)	(1)	(1)	(1)	(1)	(1)			
59	1.4								3.1								3.1	25.4	12
60	1.7								5.8		4.0		.1				9.9	48.0	21
61	1.4								2.4		1.6		.2				4.2	40.5	10
62	1.8		.2						4.5		20.3		1.0				26.0	68.9	38
63	2.2		.3						8.6		17.9		1.0				27.8	71.6	39
64	1.8		.3						8.7		4.7		1.2				14.9	67.0	22
65	1.9		.3						8.3		5.9		1.9		.1		16.5	83.0	20
66	4.1		.3						7.7		10.8		2.5		.3		21.6	86.5	25
67	3.5		.5						7.7		8.6		2.8		1.9		21.5	86.6	25
68	3.8	.1	1.2						7.5		21.8		2.9		9.5		43.0	112.7	38
69	4.2	.1	5.6						7.8		.8		3.3		16.9		34.5	112.4	31
70	4.9	.4	7.9						8.2		900.0		3.1		19.3		938.9	1067.3	88
71	5.2	.9	10.5						8.6		.2		2.9		23.9		47.0	220.4	21
72	5.3	1.2	11.4						7.9		.3		3.0		24.6		48.4	219.2	22
73	5.9	.9	12.0						6.7		3.8		3.4		23.5		50.3	208.2	24
74	7.0	1.2	14.8						7.1		24.8		3.6		28.7		80.2	254.9	31
75	14.8	2.5	26.6		6.6				9.8		1.0		3.9		40.0		90.4	333.4	27
76	26.2	4.9	28.0		83.4			223.1	5.1				3.7		43.3		391.5	709.8	55
77	30.8	5.0	23.8		139.1			270.6	2.0*				2.8*		34.3*		477.6	874.3	55
78	25.1	8.4	107.7		173.0				1.0*				1.8*		149.6*		441.5	764.9	58
79	24.8	232.6	173.8		163.4				1.0*				1.6*		249.2*		821.6	1133.0	73
80	17.9	547.5	506.5		168.9				1.2*		342.4*		1.8*		688.2*		2256.5	2501.2	90
81	34.8	860.1	1170.2		143.0				1.2*		7.6*		3.7*		1118.5*		3304.3	3718.2	89
82	34.8	668.9	1581.7		142.7				17.1*		5.0*		2.1*		1157.3*		3574.8	4108.4	87
83	30.1	236.0	1493.7		152.6				27.2*		36.2*		2.5*		1078.4*		3026.6	3631.0	83
84**	33.0	270.0	1299.7		185.4				10.0*		1.4*		2.9*		940.1*		2709.5	3247.4	83
85**	38.0	300.0	1254.0		222.2				10.0*				2.9*		945.8*		2734.9	3238.2	84
86**	40.0	325.0	1300.1		226.4				10.5*				3.0*		992.3*		2857.3	3359.0	85

* Net of Permanent Fund contribution.

** Estimate (January 1984)

(1) These categories are primarily composed of oil/gas revenues; however, includes some additional revenues from other minerals (mostly coal).

collected, the oil/gas severance tax has collected the most with \$5,177.3 million, or one-quarter of total unrestricted revenues. Oil/gas royalties follow with \$4,707.5 million and 23 percent, respectively. As a result, oil/gas severance taxes and royalties combined have accounted for almost one-half of the total General Fund unrestricted revenues since statehood.

Productions/Prices vs. Revenues

It is apparent that state revenues have become quite dependent upon petroleum development and production. Although the state has benefited greatly from this recent petroleum wealth, it is not without drawbacks. One of the most critical problems facing the state has been the difficulty in determining policies and budgets upon so volatile a commodity as oil (note the current legislative discussions regarding proposals to shift to a cash-basis budget). Factors presently affecting the state's current projections for royalty and severance income are: the world market price at destination, the volume of oil and gas produced, and tariffs/transportation costs in getting the oil from the wellhead to the market. However, this report will limit its discussion to two determinants of the world oil market: production and prices.

In terms of production, Alaska has grown from a minor contributor to the second leading petroleum-producing state. Figure 3 illustrates this by comparing the petroleum production of the leading states as a percentage of total U.S. production. It is not surprising that Alaska's oil production increased considerably with the completion of the pipeline, and that by FY 82 accounted for almost one-fifth the nation's total. The effect of the pipeline opening in 1977 can be seen in the following production summary.

<u>Year</u>	<u>Millions of Barrels</u>
1976	67.0
1977	171.3
1978	447.8
1979	511.3
1980	591.6
1981	587.3
1982	618.9

Source: Oil & Gas Conservation Commission: 1982.

Although production has stabilized at approximately 1.7 million barrels per day since 1980, prices have continued to change in response to a wide variety of factors affecting the world crude oil market. In Figure 4 one can see how the weighted average price for Alaska North Slope has changed and followed the Saudi level over the past six years (1978-1983). A further parallel relationship develops when General Fund unrestricted revenue actuals are compared for the same years in Figure 4. Since the trends are similar, one must conclude that the price structure is the primary determinant of variability in current state revenue collections and forecasts.

FIGURE 3
COMPARISON OF CRUDE OIL AND NATURAL GAS PRODUCTION,
BY LEADING STATES

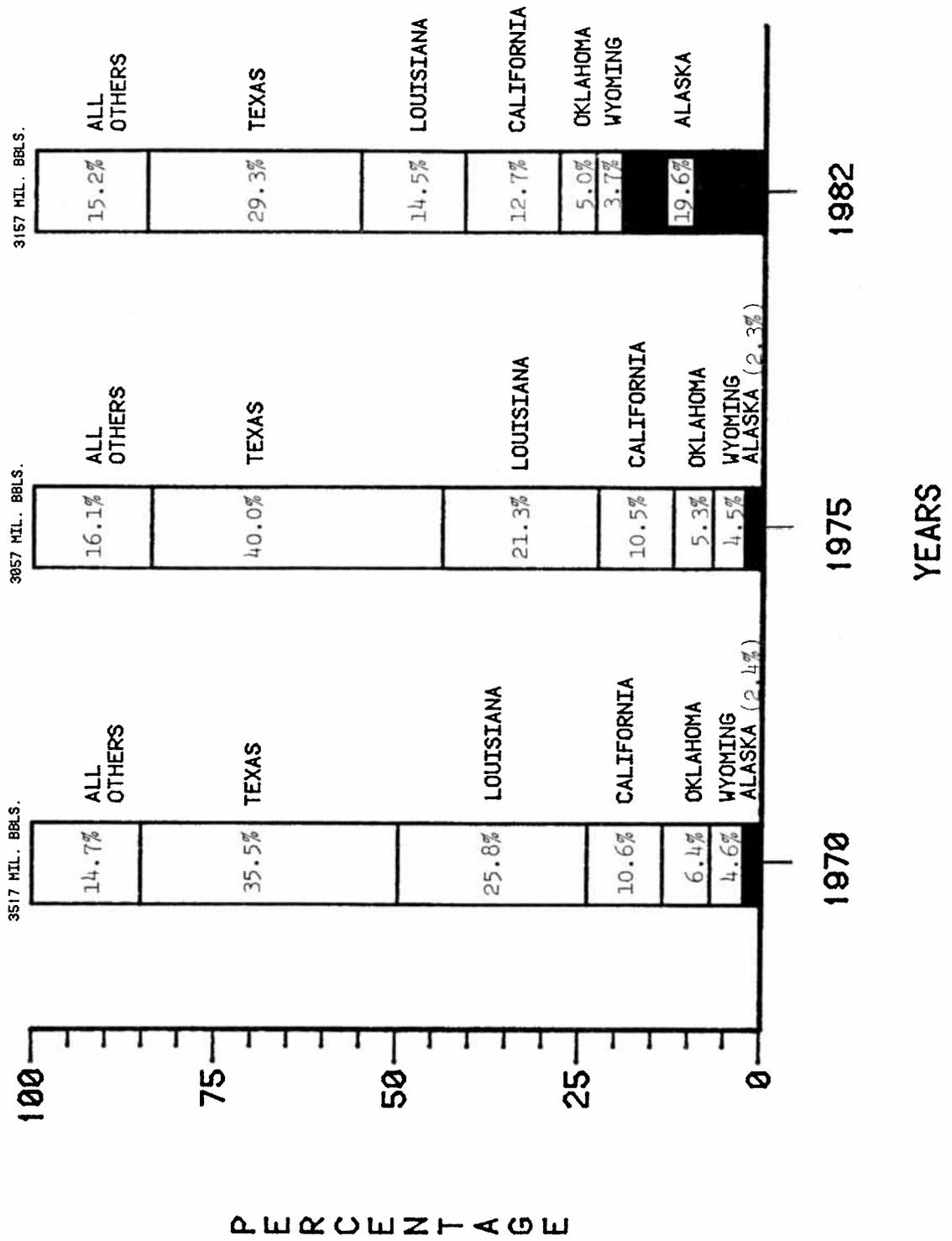
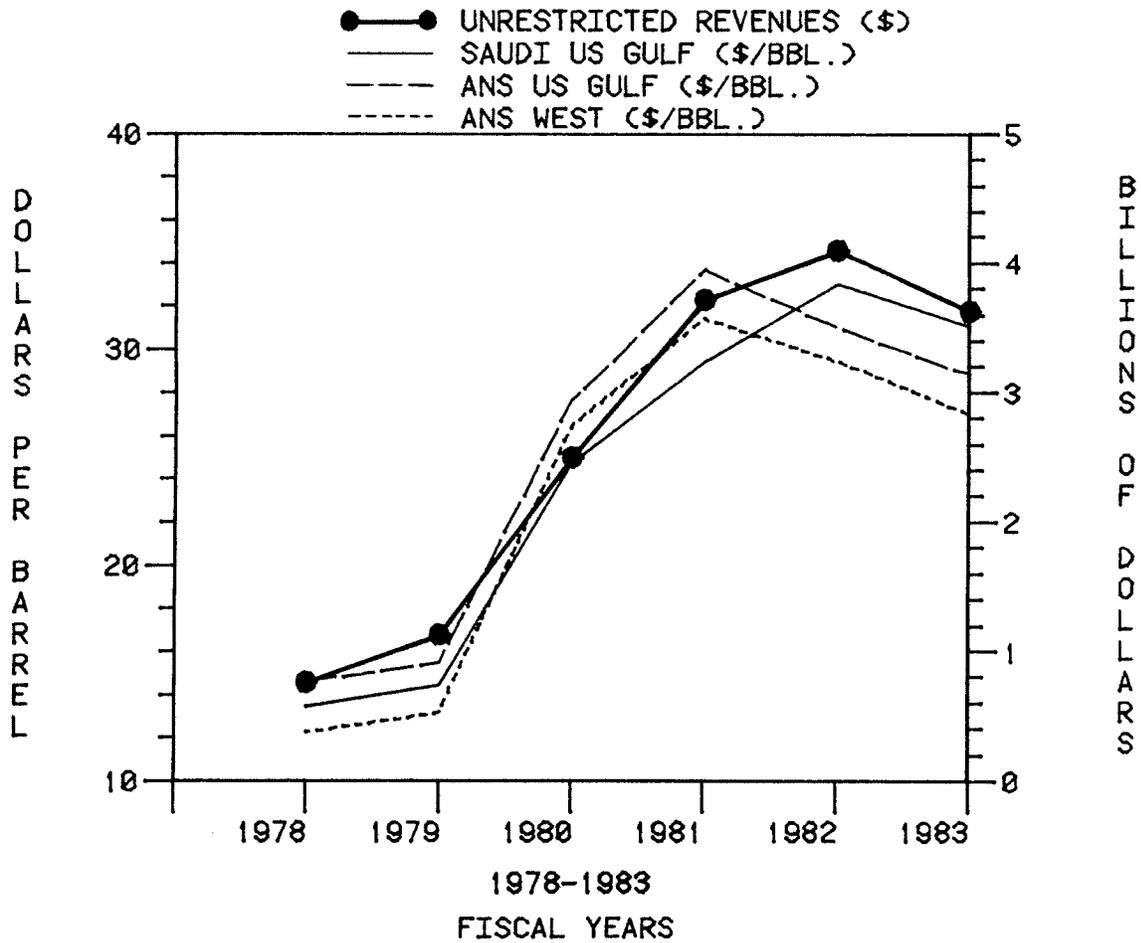


FIGURE 4
 HISTORICAL UNRESTRICTED REVENUES
 VS. CRUDE OIL PRICES



Conclusion

It should be mentioned that the preceding report has only provided a brief description of state revenues. It was not the intent of this report to provide a thorough analysis of each subject; but, to create an awareness of certain factors which should be considered by a reader of this publication. Revenue projections, and the implicit price and production assumptions presented herein, are only indicative of conditions as they currently exist at the time of publication. The aforementioned revenue projections reflect the 30 percent case for budgetary considerations because of the volatility of oil, and by no means reflect all possible scenarios.

Table 3
STATE OF ALASKA - UNRESTRICTED REVENUES
TAX PORTION

	FY 71	FY 72	FY 73	FY 74	FY 75	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82	FY 83
Corporate General	6.1	6.5	6.8	8.2	17.3	31.1	35.8	33.5	24.8	17.9	34.8	34.8	30.1
Corporate - Petroleum	--	--	--	--	--	--	--	--	232.6	547.5	860.1	668.9	236.2
Fiduciary	--	--	--	--	.1	.1	.1	.1	.1	.1	--	--	--
Individual	35.5	39.1	43.4	49.2	86.9	146.2	210.4	145.7	117.2	100.5	--	--	--
TOTAL INCOME	41.6	45.6	50.2	57.4	104.3	177.4	246.3	179.3	374.7	666.0	894.9	703.7	266.3
Alaska Business License	5.6	6.1	6.7	7.5	11.2	19.1	23.2	21.7	28.2	4.2	5.4	5.5	6.9
Fish - Canned Salmon	3.5	2.7	1.7	1.4	1.6	1.8	3.8	5.5	6.7	4.3	5.9	8.6	4.3
Fish - Shore Based	.3	.3	.5	.9	.8	.8	1.9	2.3	3.3	7.6	11.0	8.7	11.5
Fish - Floating	.2	.2	.3	.5	.3	.5	.5	.5	1.9	2.7	3.8	5.5	4.7
Salmon Enhancement	--	--	--	--	--	--	--	--	--	--	--	2.4	2.6
Seafood Marketing	--	--	--	--	--	--	--	--	--	--	--	--	.9
Insurance Companies	3.0	3.5	3.7	3.8	4.4	6.1	8.1	10.0	10.8	10.4	10.6	12.5	13.8
Other	.4	.5	.6	.6	.7	1.0	1.3	1.6	1.9	2.1	1.2	1.4	1.6
TOTAL GROSS RECEIPTS	13.0	13.3	13.5	14.7	19.0	29.3	38.8	41.6	52.8	31.3	37.9	44.6	46.3
Gravel, Timber, Etc.	--	--	--	.3	.8	1.8	1.0	.8	1.7	1.6	2.7	--	--
Oil & Gas Production	10.5	11.4	12.0	14.8	26.6	27.9	23.7	107.6	173.6	506.2	1,169.9	1,581.1	1,493.0
Oil & Gas Conservation	--	--	--	--	--	.1	.1	.1	.2	.3	.3	.6	.7
TOTAL SEVERANCE	10.5	11.4	12.0	15.1	27.4	29.8	24.8	108.5	175.5	508.1	1,172.9	1,581.7	1,493.7
Oil & Gas	--	--	--	--	6.6	83.4	139.1	173.0	163.4	168.9	143.0	142.7	152.6
Oil & Gas Reserves	--	--	--	--	--	223.1	270.6	--	--	--	--	--	--
Vehicle Registration	--	--	--	--	--	--	--	.2	.2	.1	.2	--	--
TOTAL PROPERTY	--	--	--	--	6.6	306.5	409.7	173.2	163.6	169.0	143.2	142.7	152.6
Alcoholic Beverages	4.9	4.8	5.2	5.7	6.6	7.8	8.0	7.6	7.4	7.4	8.3	9.0	10.4
Fuel Taxes - Aviation	1.6	1.5	1.3	1.6	2.8	3.0	2.5	3.3	3.4	4.0	4.1	6.3	8.7
Fuel Taxes - Highway	8.6	8.9	10.1	11.0	14.0	20.2	16.7	17.9	16.3	18.9	15.6	20.3	23.7
Fuel Taxes - Marine	.8	1.0	1.1	1.2	1.1	1.2	1.3	2.1	2.6	3.2	3.5	3.7	4.3
Tobacco Products	1.1	1.2	1.2	1.3	1.5	1.7	1.8	1.7	1.7	1.6	1.7	1.9	2.0
TOTAL SALE/USE	17.0	17.4	18.9	20.8	26.0	33.9	30.3	32.6	31.4	35.1	33.2	41.2	49.1
Estate	--	--	--	.1	.1	.2	.2	.2	.1	.2	.5	.3	.7
School	1.4	1.5	1.6	1.6	2.2	2.6	2.6	2.4	2.5	2.6	--	--	--
TOTAL OTHER	1.5*	1.6*	1.6	1.7	2.3	2.8	2.8	2.6	2.6	2.8	.5	.3	.7
TOTAL TAXES	83.6	89.3	96.2	109.7	185.6	579.7	752.7	537.8	800.6	1,412.3	2,282.6	2,514.2	2,008.7

*Includes disaster relief

STATE OF ALASKA - UN CATED REVENUES
NON-TAX COLLECTION

(\$ millions)	FY 71	FY 72	FY 73	FY 74	FY 75	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82	FY 83
<u>LICENSES & PERMITS</u>													
Business	2.7	2.8	3.2	4.1	4.2	5.1	5.5	6.8	7.5	8.1	9.1	10.8	10.8
Non-Business	6.0	6.3	6.6	6.8	9.4	11.3	10.6	12.3	12.3	10.7	12.2	13.0	14.9
TOTAL	8.7	9.1	9.8	10.9	13.6	16.4	16.1	19.1	19.8	18.8	21.3	23.8	25.7

INTERGOVERNMENTAL RECEIPTS

Federal Shared Revenues	9.7	9.0	7.7	8.0	10.6	6.4	2.5	3.6	4.1	4.8	8.5	21.7	33.3
-------------------------	-----	-----	-----	-----	------	-----	-----	-----	-----	-----	-----	------	------

STATE RESOURCE REVENUE

SALE/USE	FY 71	FY 72	FY 73	FY 74	FY 75	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82	FY 83
Bonus Sales	.2	.3	3.8	24.8	1.0	--	--	--	--	342.4	7.6	5.0	36.2
Investment Earnings	78.4	67.3	43.2	41.1	38.5	31.7	34.8	44.2	59.2	119.9	227.8	324.7	375.8
Rents	3.2	3.3	3.7	4.0	4.3	4.1	3.4	2.3	2.1	3.0	5.4	3.5	4.3
Royalties	23.9	24.6	23.5	28.7	40.0	43.3	34.3	149.6	249.2	688.2	1,118.5	1,157.3	1,078.4
Sale of State Property	1.0	1.4	1.7	1.4	12.2	1.9	1.8	1.9	8.4	5.7	4.8	5.2	6.3
Gravel, Timber, etc.	--	--	--	--	--	--	--	--	--	--	--	1.2	4.0
TOTAL	106.7	96.9	75.9	100.0	96.0	81.0	74.3	198.0	318.9	1,159.2	1,364.1	1,496.9	1,505.0

FACILITIES RELATED CHARGES

Airports	.6	.5	.7	.6	.5	.6	.7	.8	.9	.8	1.1	1.6	1.4
Ferry System--SE	6.5	8.1	10.1	9.6	12.0	13.9	15.4	14.0	17.1	18.7	21.0	25.2	26.4
Ferry System--SW	.6	.9	.9	1.0	1.2	1.3	1.5	1.6	1.8	2.4	3.4	4.0	4.0
Other	1.9	2.2	3.8	4.3	2.1	2.2	2.7	4.0	3.1	4.1	3.7	3.6	5.5
TOTAL	9.6	11.7	15.5	15.5	15.8	18.0	20.3	20.4	22.9	26.0	29.2	34.4	37.3

SERVICES RELATED CHARGES

Court System	1.2	1.7	1.6	1.9	3.0	3.7	3.6	2.8	2.8	2.8	2.9	3.5	4.2
Other	.2	.3	.3	.4	1.4	.7	.9	1.7	2.3	2.0	4.1	6.1	5.9
TOTAL	1.4	2.0	1.9	2.3	4.4	4.4	4.5	4.5	5.1	4.8	7.0	9.6	10.1

TOTAL RESOURCE

	117.7	110.6	93.3	117.8	116.2	103.4	99.1	222.9	346.9	1,190.0	1,400.3	1,540.9	1,552.4
--	-------	-------	------	-------	-------	-------	------	-------	-------	---------	---------	---------	---------

Miscellaneous Revenue

Total Unrestricted	.7	1.2	1.2	8.5	7.4	3.9	3.9	3.9	7.2	6.7	5.5	7.8	10.9
--------------------	----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	------

Non-Tax Revenue

Less: Native Claims	136.8	129.9	112.0	145.2	147.8	130.1	121.6	249.5	378.0	1,220.3	1,435.6	1,594.2	1,622.3
---------------------	-------	-------	-------	-------	-------	-------	-------	-------	-------	---------	---------	---------	---------

Payments

	--	--	--	--	--	--	--	22.4	45.6	131.4	--	--	--
--	----	----	----	----	----	----	----	------	------	-------	----	----	----

TOTAL NET UNRESTRICTED

NON-TAX REVENUE	136.8	129.9	112.0	145.2	147.8	130.1	121.6	227.1	332.4	1,088.9	1,435.6	1,594.2	1,622.3
-----------------	-------	-------	-------	-------	-------	-------	-------	-------	-------	---------	---------	---------	---------

Total Unrestricted

Tax Revenue	83.6	89.3	96.2	109.7	185.6	579.7	752.7	537.8	800.6	1,412.3	2,282.6	2,514.2	2,008.7
-------------	------	------	------	-------	-------	-------	-------	-------	-------	---------	---------	---------	---------

TOTAL UNRESTRICTED

REVENUE	220.4	219.2	208.2	254.9	333.4	709.8	874.3	764.9	1,133.0	2,501.2	3,718.2	4,108.4	3,631.0
---------	-------	-------	-------	-------	-------	-------	-------	-------	---------	---------	---------	---------	---------

Table 4
STATE OF ALASKA - RESTRICTED REVENUES
AND TOTAL GENERAL FUND REVENUES

	<u>FY 71</u>	<u>FY 72</u>	<u>FY 73</u>	<u>FY 74</u>	<u>FY 75</u>	<u>FY 76</u>	<u>FY 77</u>	<u>FY 78</u>	<u>FY 79</u>	<u>FY 80</u>	<u>FY 81</u>	<u>FY 82</u>	<u>FY 83</u>
Federal Grants-In-Aid													
I. Education	24.7	27.7	34.7	NA	39.4	35.6	26.7	27.3	27.8	30.7	33.0	25.7	33.8
II. Social Services	16.3	28.4	27.6	NA	36.0	45.4	48.9	57.7	57.8	60.0	68.7	60.4	80.7
III. Health	1.5	4.5	2.6	NA	8.3	5.0	3.0	15.6	15.4	21.4	26.5	27.1	11.9
IV. Natural Resources	1.4	5.6	2.7	NA	2.9	3.7	5.4	7.9	10.1	6.5	8.3	12.4	15.0
V. Public Protection	1.8	1.4	1.3	NA	2.9	4.5	2.8	4.4	5.3	4.8	5.2	4.2	5.3
VI. Admin. of Justice	.4	1.3	1.4	NA	2.2	2.5	2.9	2.7	3.1	2.6	1.9	1.3	.4
VII. Development	.4	.3	.3	NA	.6	.4	2.3	.9	1.7	2.4	5.7	2.9	6.5
VIII. Transportation	64.6	55.1	65.7	NA	79.5	123.3	119.1	121.6	84.6	69.5	39.9	22.5	11.0
IX. General Government	.1	.4	.2	NA	.6	.3	.4	.5	.6	.4	2.2	2.0	2.1
Total	111.2	124.7	136.5	NA	172.4	220.7	211.5	238.6	206.4	198.3	191.4	158.5	166.7
Other Grants-In-Aid													
I. Education	--	.1	.1	NA	.3	.4	.8	.3	.5	1.6	.8	.9	1.0
II. Social Services	.4	.7	.9	NA	1.3	1.9	1.4	1.2	1.0	.3	.1	.2	.2
III. Health	.1	.1	.1	NA	.1	--	.1	1.4	.2	.2	.1	.1	.2
IV. Natural Resources	.1	.1	.1	NA	1.5	1.9	2.1	1.4	1.2	.6	2.4	1.4	1.0
V. Public Protection	--	--	--	NA	--	.1	.2	1.4	1.6	1.7	1.8	1.8	2.3
VI. Admin. of Justice	--	.1	.2	NA	.3	.3	.2	.3	.3	.1	.1	.1	.1
VII. Development	.1	.1	.1	NA	.2	1.4	.5	.4	.5	1.3	.8	1.1	3.1
VIII. Transportation	1.3	.4	.4	NA	11.5	2.5	1.8	1.0	1.1	1.0	1.6	2.5	.9
IX. General Government	--	1.1	1.0	NA	.1	1.6	.4	.9	1.1	2.8	1.8	2.2	2.2
Total	2.0	2.7	2.9	NA	15.3	10.1	7.5	8.3	7.5	9.6	9.5	10.3	11.0
Misc. Restricted Revenue	-0-	-0-	-0-	NA	-0-	4.5	3.1	.9	3.2	5.7	8.1	7.0	15.7
Total Restricted Revenue	113.2	127.4	139.4	NA	187.7	235.3	222.1	247.8	217.1	213.6	209.0	175.8	193.4
Total Unrest. Revenue	220.4	219.2	208.2	254.9	333.4	709.8	874.3	764.9	1133.0	2501.2	3718.2	4108.4	3631.0
Total Gen. Fund Revenue	333.6	346.6	347.6	NA	521.1	945.1	1096.4	1012.7	1350.1	2714.8	3927.2	4284.2	3824.4
NA Not Available													

S : Department of Revenue, Revenue Sources FY 1971 - FY 1983 revised December 1983.

Table 5

COMPETITIVE OIL AND GAS
LEASING OF STATE LANDS

<u>Sale Number and Area</u>	<u>Date</u>	<u>Bonus Received</u>
1. Wide Bay; offsh. Kenai to Ninilchik; Kachemak Bay	12/10/59	\$ 4,020,342.43
2. Kenai Peninsula; West Forelands; Nushagak Bay	07/13/60	407,654.54
3. Katalla; Kalifonsky Beach; Herendeen Bay; offsh. Kodiak	12/07/60	35,325.31
4. Uplands Ninilchik	01/25/61	271,614.40
5. Tyonek; Controller Bay; Pavlov Bay	05/23/61	7,170,464.88
6. Controller Bay (Special Sale)	08/04/61	110,671.55
7. Icy, Yakutat & Kachemak Bays; So. Kenai Penin.; N. Cook Inlet	12/19/61	14,863,049.33
8. Big Lake	04/24/62	5,097.00
9. Tyonek; W. Forelands; Knik Arm/Kalgin Island; Chisik Island; So. Kenai Penin.; Wide Bay	07/11/62	15,714,112.60
10. Tyonek; Kenai Offshore & Uplands	05/08/63	4,136,224.92
11. Yakutat Bay CANCELLED		
12. Below Forelands; Knik & Turnagain Arms; Upper Cook Inlet; Kenai Penin.; Tyonek to Katunu River	12/11/63	3,042,680.74
13. Fire Island; W. Forelands; Trinity Islands; Prudhoe West (Prudhoe Bay)	12/09/64	5,537,100.94
14. Prudhoe West to Canning River (Kuparuk)	07/14/65	6,145,472.59
15. Fire Island & N. Cook Inlet; Kalgin Island & Redoubt Bay; Knik; S. Kenai Peninsula	09/28/65	4,674,343.74
16. Kenai Penin. & Knik; Middleton Island; Fire Island, Redoubt Bay; Kalgin Island, Illiama Mt.; N. Cook Inlet	07/19/66	7,040,880.17
17. Big Lake; Kenai	11/22/66	136,279.67
18. Katalla; Prudhoe	01/24/67	1,478,777.23
Lower Cook Inlet	03/28/67	REJECTED

20.	Big Lake; Knik; Illiamna Mt.; Beluga; N. Cook Inlet; Kalgin Island; Ninilchik	07/25/67	18,757,340.88
21.	Port Heiden & Port Moller	03/26/68	3,009,224.
22.	Big Lake; Knik; Beluga; West Forelands; Ninilchik; Kachemak & Kenai	10/29/68	1,042,219.90
23.	Colville to Canning River	09/10/69	900,041,605.34
24.	Big Lake; Knik; Kenai; West Forelands	05/12/71	455,640.57
25.	Big Lake; Knik; Beluga; North Cook Inlet	09/26/72	1,324,673.40
26.	Cook Inlet (Between Forelands & Turnagain Arm)	12/11/72	1,557,848.84
27.	Tuxedni; Ninilchik; Kenai; Kalgin	05/09/73	1,130,324.51
28.	Ninilchik; Kachemak Bay; Beluga	12/13/73	24,819,189.91
29.	Kalgin & West Forelands; Chisik; Ninilchik N. Cook Inlet; Turnagain; Big Lake	10/23/74	1,040,909.98
29A.	Point Thomson CANCELLED		
29B.	Copper River Basin	07/24/79	158,041.78
30.	Beaufort Sea (Joint Federal & State Sale)	12/12/79	567,391,497.48
31.	Prudhoe Uplands	09/16/80	12,387,469.
32.	Lower Cook Inlet	08/25/81	1,524,282.20
33.	Upper Cook Inlet	05/13/81	4,299,781.60
35.	Lower Cook Inlet	02/02/82	1,311,906.90
36.	Beaufort Sea	05/26/82	32,583,451.87
37.	Middle Tanana & Copper River Basins	08/24/82	562,943.90
37A.	Chakok River, Exempt	08/24/82	97,479.20
34.	Prudhoe Uplands	09/28/82	26,713,018.17
38.	Norton Basin CANCELLED		
39.	Beaufort Sea	05/17/83	21,003,700.98
40.	Upper Cook Inlet	09/28/83	Not Available

The aforementioned figures do not distinguish those lease bonus payments which are being disputed. For example, the ownership of the Dinkum Sands acreage in the Beaufort Sea (Sale No. 30) is disputed by the state and federal government; however, of the \$567.4 million in bonus received only the undisputed portion (\$456.6 million) has been counted as state revenue. That portion (\$110.9 million plus accrued interest) which is being disputed has been placed in an escrow account pending resolution of the litigation.

