

COMPARATIVE REVENUE STREAMS, AK MUNICIPALITIES: RESOURCE EXTRACTION

Severance tax is a tax imposed on the extraction of non-renewable natural resources that are intended for consumption in another jurisdiction. The tax is calculated based on either the value or volume of production, though sometimes states use a combination of both. The severance tax is imposed to compensate for the loss or "severance" of the non-renewable source and also to cover the costs associated with mitigating the impacts of extracting these resources. <https://www.investopedia.com/terms/s/severance-tax.asp>

Borough	Yakutat	Kodiak	Denali	Aleutians East	NW Arctic	North Slope	CBJuneau
Taxed Resources	Minerals, gravel, sand, coal, timber	Timber, minerals, gravel, fish	Minerals, Coal, Limestone, gravel	Minerals, coal, gravel, marine products	Minerals	Oil and Gas properties	Mining Properties
Rates of Tax	Timber: \$5/KBF	Tied to mill rate (annual totals):	NA	Minerals & Coal: 1.5% of gross			
	Gravel, sand, coal: \$.20/ton	Gravel: \$12,500 Timber: \$41,000		Gravel: \$.10/cu. yd.			
	Minerals; 4% gross value	Fish: \$1.17million		Marine products: 2% of purchase price			
Annual Revenue	\$75,000	\$1,223,500	\$50,000	\$3,350,000			
PILT					\$14,900,000		
Property Tax						\$350,000,000	\$3,200,000

(data collected by CVN. Original articles published May 6, 2021)

The Haines Borough community may be best served by working with resource extractors to develop policies and agreements that serve the interests of each mutually. One nonprofit organization that facilitates the necessary dialogue is **Earthworks** (formerly: Mineral Policy Center). From its website: <https://www.earthworks.org>: "Earthworks is a nonprofit organization dedicated to protecting communities and the environment from the adverse impacts of mineral and energy development while promoting sustainable solutions. We work for solutions that protect both the Earth's resources and our communities. We fulfill our mission by working with communities ...to reform government policies, improve corporate practices, influence investment decisions and encourage responsible materials sourcing and consumption. Earthworks partners with local affected communities, national and international advocates to respond to and solve the growing threats to the earth's natural resources, clean water, biodiversity, special places and communities ...."