A BILL

FOR AN ACT ENTITLED

"An Act amending the calculation of adjusted gross income for purposes of the tax on
gambling activities aboard large passenger vessels; repealing a provision allowing an
investigation expense under the Alaska Small Loans Act to be in place of a fee required
under the Alaska Business License Act; repealing the amount that may be deducted
from the tobacco excise tax to cover the expense of accounting and filing for the monthly
tax return; repealing the discount on cigarette tax stamps provided as compensation for
affixing the stamps to packages; and providing for an effective date."

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

* Section 1. AS 43.35.210 is amended to read:

Sec. 43.35.210. Tax on gambling activities. There is imposed on the operator
of gaming or gambling activities aboard large passenger vessels in the state a tax of 33
percent of the adjusted gross income from those activities. "Adjusted gross income"
means gross income less prizes awarded and [FEDERAL AND] municipal taxes paid
or owed on the income. The tax shall be collected and is due and payable to the
Department of Revenue in the manner and at the times required by the Department of
Revenue.

* Sec. 2. AS 43.50.590(a) is amended to read:

(a) The department shall adopt procedures for a refund or credit to a licensee
in the amount of the denominated value [, LESS THE DISCOUNT GIVEN UNDER
AS 43.50.540,] for

(1) unused or damaged stamps;

(2) stamps affixed to cigarette packages that have become unfit for use
or sale, are destroyed, or are returned to the manufacturer for credit or replacement if
the licensee provides proof acceptable to the department that the cigarettes have not
been and will not be consumed in this state; or

(3) stamps affixed to cigarette packages that are sold or distributed
outside the state if the licensee provides proof acceptable to the department that the
cigarettes have not been and will not be consumed in this state and the licensee is
properly licensed in the jurisdictions outside the state where the sales or distributions
are made.

* Sec. 3. AS 06.20.030(c); AS 43.50.330(b), 43.50.540(c), and 43.50.540(h) are repealed.

* Sec. 4. Section 1 of this Act takes effect January 1, 2019.

* Sec. 5. Except as provided in sec. 4 of this Act, this Act takes effect July 1, 2018.