

# ALASKA STATE LEGISLATURE

## HOUSE FINANCE COMMITTEE

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### Sectional Analysis

#### House Bill 249 – Fish, Mining and Motor Fuel Taxes

##### Alaska Commercial Fisheries Entry Commission

Section 1: Amends AS 16.43.160 (c) - Removes the \$3000 cap for entry permits and interim use permits in entry into Alaska Commercial Fisheries

##### Royalty Payments for Mining

Section 2: Amends AS 27.30.030 (a) – eliminates the use of credits for royalty payment

Section 3: Conforming language to re-numeration in section 2

Section 4: Amends AS 27.30.40 – Removes royalty payment period from credits that be carried forward

Section 5: Amends AS 27.30.050 – Removes royalty payment periods from the limit of applications of credits

##### Electronic Filing

Section 6: Adds new section, AS 43.05.045 - Electronic filing reporting, provides a 5 year exemption

Section 7: Adds new section, AS 43.05.220 – penalty for failure to comply with electronic filing

Section 8: Amends AS 43.31.111 – changes notification of death for tax filings

##### Motor Fuel Tax

Section 9: Amends AS 43.40.010 (a) *motor fuel tax on fuel sold or transferred*

**Motor Fuel** - changes the tax rate to 16 cents from 8 cents

**Aviation Gasoline** – changes the tax rate to 7 cents from 4.7 cents

**Watercraft Motor Fuel** – changes the tax rate to 10 cents from 5 cents

**Aviation Fuel** – changes the tax rate to 6.5 from 3.2 cents

- Section 10: Amends AS 43.40.010 (b) *motor fuel tax on fuel consumed by user*  
**Motor Fuel** - changes the tax rate to 16 cents from 8 cents  
**Aviation Gasoline** – changes the tax rate to 7 cents from 4.7 cents  
**Watercraft Motor Fuel** – changes the tax rate to 10 cents from 5 cents  
**Aviation Fuel** – changes the tax rate to 6.5 from 3.2 cents

- Section 11: Amends AS 43.40.030 (a) – changes the non-highway use refund to 12 cents from 6 cents

### Alcohol Tax

- Section 12: Amends AS 43.60.020 (a) – changes filing requirements for filing reports

### Mining Tax

- Section 13: Amends AS 43.65.101 (a) – changes tax exempt for new production to 3 years from 3.5 years
- Section 14: Amends AS 43.65.010 (c) – License tax rates on net income  
 Changes the tax rate for taxpayers, excess over \$100,000 to 8 cents from 7 cents
- Section 15: Amends AS 43.65.020 (d) - changes filing requirements for filing tax returns
- Section 16: Amends AS 43.65.030 – Changes mining application fees and renewals to \$50 and changes date for filing to January 1<sup>st</sup> from May 1<sup>st</sup> of each license year

### Fish Business Tax

- Section 17: Amends AS 43.75.015 (a) – *Fisheries Business License Tax*  
**Salmon Canned Shore-based Business** - changes tax rate to 5% from 4%  
**Salmon Processed Shore-based Business** – changes tax rate to 4% from 3%  
**Floating Business** – changes tax rate to 6% from 5%
- Section 18: Amends AS 43.75.015 (b) *Developing Commercial Species – Fisheries Business License Tax*  
**Developing Commercial Species Fisheries Shore-based Business** – changes tax rate to 4% from 1%  
**Developing Commercial Species Fisheries Floating Business** – changes tax rate to 4% from 1%
- Section 19: Amends AS 43.75.015 (d) *Direct Marketing Developing Commercial Species – Fisheries Business License Tax*  
**Developing Commercial Species Fisheries** – changes tax rate to 4% from 1%  
**Commercial Fish Species** – changes tax rate to 4% from 3%
- Section 20: Amends 43.75.030 (b) - changes filing requirements for filing tax returns
- Section 21: Amends AS 43.75.130 (a) – 1% of tax revenue is deposited in general fund the remaining balance is divided by formula for local municipalities and governments as currently in statute

### Fish Resource Landing Tax

Section 22: Amends AS 43.77.010 –Fish Landing Tax

Developing commercial fish species – changes tax rate to 4% from 1%

All other fish species – changes tax rate to 4% from 3%

Section 23: Amends AS 43.77.060 (a) – 1% of tax revenue is deposited in general fund the remaining balance is divided by formula for local municipalities and governments as currently in statute

Section 24: Amends AS 43.77.060 (b) - 1% of tax revenue is deposited in general fund the remaining balance is divided by formula for local municipalities and governments as currently in statute

### **Uncodified Law**

Section 25: Establishes Mining Tax Working Group

Section 26: Applicability for all statutes referenced

Section 27: Transitional provision to accommodate regulations

Section 28: Established an immediate effective date for Section 27

Section 29: Establishes an effective date of July 1, 2016 for Section 1-26