

**HOUSE BILL NO. 249**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-NINTH LEGISLATURE - SECOND SESSION

BY THE HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

Introduced: 1/19/16

Referred:

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act requiring the electronic submission of a tax return or report with the  
2 Department of Revenue; relating to the motor fuel tax; and providing for an effective  
3 date."

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

5 \* **Section 1.** AS 43.05.220 is amended to add a new subsection to read:

6 (f) A penalty of \$25 or one percent of the total tax before any payment,  
7 whichever is greater, shall be assessed against a taxpayer that fails to electronically  
8 submit a return or report under AS 43.05.222, unless the taxpayer has received an  
9 exemption under AS 43.05.222 or can show reasonable cause.

10 \* **Sec. 2.** AS 43.05 is amended by adding a new section to read:

11 **Sec. 43.05.222. Electronic submission of return or report.** (a) A taxpayer  
12 required to submit a return or report for a tax levied under AS 43 or any other tax  
13 administered by the department shall submit the return or report electronically in a  
14 format prescribed by the department. Unless the taxpayer has received an exemption

under (b) of this section or can show reasonable cause, a return or report not submitted electronically is subject to a civil penalty under AS 43.05.220.

(b) A taxpayer may request an exemption from the requirement that a return or report be submitted electronically. The taxpayer or taxpayer's representative shall contact the department and request the exemption before the return or report is due and shall submit evidence that the taxpayer does not have the capability to submit the return or report electronically. An exemption granted under this subsection is valid for two years after the first tax filing due date after the exemption is granted; after the two year period, the taxpayer may apply for another exemption.

\* **Sec. 3.** AS 43.40.010(a) is amended to read:

(a) In addition to the surcharge levied under AS 43.40.005, there is levied a tax of 16 [EIGHT] cents a gallon on all motor fuel sold or otherwise transferred within the state, except that

(1) the tax on aviation gasoline is 10 [FOUR AND SEVEN-TENTHS] cents a gallon;

(2) the tax on motor fuel used in and on watercraft of all descriptions is 10 [FIVE] cents a gallon;

(3) the tax on all aviation fuel other than gasoline is 10 [THREE AND TWO-TENTHS] cents a gallon; and

(4) the tax rate on motor fuel that is blended with alcohol is the same tax rate a gallon as other motor fuel; however, in an area and during the months in which fuel containing alcohol is required to be sold, transferred, or used in an effort to attain air quality standards for carbon monoxide as required by federal or state law or regulation, the tax rate on motor fuel that is blended with alcohol is six cents a gallon less than the tax on other motor fuel not described in (1) - (3) of this subsection.

\* **Sec. 4.** AS 43.40.010(b) is amended to read:

(b) In addition to the surcharge levied under AS 43.40.005, there is levied a tax of 16 [EIGHT] cents a gallon on all motor fuel consumed by a user, except that

(1) the tax on aviation gasoline consumed is 10 [FOUR AND SEVEN-TENTHS] cents a gallon;

(2) the tax on motor fuel used in and on watercraft of all descriptions is

1        **10** [FIVE] cents a gallon;

2                    (3) the tax on all aviation fuel other than gasoline is **10** [THREE AND  
3 TWO-TENTHS] cents a gallon; and

4                    (4) the tax rate on motor fuel that is blended with alcohol is the same  
5 tax rate a gallon as other motor fuel; however, in an area and during the months in  
6 which fuel containing alcohol is required to be sold, transferred, or used in an effort to  
7 attain air quality standards for carbon monoxide as required by federal or state law or  
8 regulation, the tax rate on motor fuel that is blended with alcohol is six cents a gallon  
9 less than the tax on other motor fuel not described in (1) - (3) of this subsection.

10    \* **Sec. 5.** AS 43.40.030(a) is amended to read:

11                    (a) Except as specified in AS 43.40.010(j), a person who uses motor fuel to  
12 operate an internal combustion engine is entitled to a motor fuel tax refund of **12** [SIX]  
13 cents a gallon if

14                            (1) the tax on the motor fuel has been paid;

15                            (2) the motor fuel is not aviation fuel, or motor fuel used in or on  
16 watercraft; and

17                            (3) the internal combustion engine is not used in or in conjunction with  
18 a motor vehicle licensed to be operated on public ways.

19    \* **Sec. 6.** The uncodified law of the State of Alaska is amended by adding a new section to  
20 read:

21                    APPLICABILITY. (a) AS 43.40.010(a) and (b), as amended by secs. 3 and 4 of this  
22 Act, apply to motor fuel sold, transferred, used, or consumed on or after the effective date of  
23 this Act.

24                    (b) AS 43.40.030(a), as amended by sec. 5 of this Act, applies to a motor fuel tax  
25 refund on motor fuel used on or after the effective date of this Act.

26    \* **Sec. 7.** The uncodified law of the State of Alaska is amended by adding a new section to  
27 read:

28                    TRANSITIONAL PROVISION: REGULATIONS. The Department of Revenue may  
29 adopt regulations necessary to implement the changes made by this Act. The regulations take  
30 effect under AS 44.62 (Administrative Procedure Act), but not before the effective date of the  
31 law implemented by the regulation.

- 1     \* **Sec. 8.** Section 7 of this Act takes effect immediately under AS 01.10.070(c).
- 2     \* **Sec. 9.** Except as provided in sec. 8 of this Act, this Act takes effect July 1, 2016.