

29-LS0470\F
Nauman
4/2/15

CS FOR SENATE BILL NO. 66()

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-NINTH LEGISLATURE - FIRST SESSION

BY

**Offered:
Referred:**

Sponsor(s): SENATOR GIESSEL

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to the passenger and recreational vehicle rental taxes; and providing**
2 **for an effective date."**

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

4 *** Section 1.** AS 43.52.010 is amended to read:

5 **Sec. 43.52.010. Levy of passenger and recreational vehicle rental tax.**
6 **Except as provided in (d) of this section, there [THERE] is imposed an excise tax**
7 **on the charge for the lease or rental of a passenger or recreational vehicle driven or**
8 **moved primarily on a highway or other public right-of-way maintained by the**
9 **[IN THIS] state [IF THE LEASE OR RENTAL OF THE PASSENGER VEHICLE**
10 **DOES NOT EXCEED A PERIOD OF 90 CONSECUTIVE DAYS].**

11 *** Sec. 2.** AS 43.52.010 is amended by adding new subsections to read:

12 (b) A lease or rental is exempt from the tax imposed under (a) of this section if
13 (1) the initial lease or rental contract is for a period of
14 (A) 28 days or more for a passenger vehicle;

- 1 (B) 90 days or more for a recreational vehicle;
2 (2) the initial lease or rental contract is in writing; and
3 (3) the lease or rental contract is not terminated before the expiration
4 of 28 days for a passenger vehicle or 90 days for a recreational vehicle.

5 (c) An extension of a lease or rental that is exempt under (b) of this section is
6 exempt if the extension is agreed upon before the expiration of the initial 28-day lease
7 or rental period for a passenger vehicle or the initial 90-day lease or rental period for a
8 recreational vehicle and there is no break between the initial period and the period of
9 the extension.

10 (d) The following passenger vehicles are exempt from tax under
11 AS 43.52.020(1):

12 (1) a commercial motor vehicle as that term is defined in
13 AS 28.90.990;

14 (2) emergency or fire equipment that is necessary to the preservation
15 of life or property;

16 (3) a farm vehicle that is controlled and operated by a farmer used to
17 transport agricultural products, farm machinery, or farm supplies to or from that
18 farmer's farm, not used in the operations of a common or contract motor carrier, and
19 used within 150 miles of the farmer's farm;

20 (4) a taxicab;

21 (5) a rental truck; in this subparagraph, "rental truck" means a motor
22 vehicle with a gross vehicle weight rating greater than 8,500 pounds that is designed,
23 used, or maintained primarily for the transportation of personal property;

24 (6) a vehicle provided by an automobile dealer to a customer as
25 replacement transportation during warranty, recall, or service contract repairs if the
26 dealer does not receive compensation from the customer; or

27 (7) a motorcycle or a motor-driven cycle as those terms are defined in
28 AS 28.90.990 and a sidecar for a motorcycle or motor-driven cycle;

29 (8) a construction vehicle;

30 (9) a vehicle used exclusively for hauling or delivering cargo;

31 (10) an all-terrain vehicle;

1 (11) a trailer designed to carry property.

2 * **Sec. 3.** AS 43.52.020 is amended to read:

3 **Sec. 43.52.020. Rate of [PASSENGER] vehicle rental tax.** The rate of the
4 tax levied in AS 43.52.010 is

5 (1) 10 percent of the total fees and costs charged for the lease or rental
6 of a [THE] passenger vehicle;

7 (2) three percent of the total fees and costs charged for the lease or
8 rental of a recreational vehicle.

9 * **Sec. 4.** AS 43.52.099(2) is amended to read:

10 (2) "passenger vehicle" means a motor vehicle as defined in
11 AS 28.90.990, including a car, sport utility vehicle, van, or truck, that is licensed
12 to operate [DRIVEN OR MOVED ON A HIGHWAY OR OTHER PUBLIC RIGHT-
13 OF-WAY] in the state [, BUT DOES NOT INCLUDE

14 (A) A COMMERCIAL MOTOR VEHICLE AS THAT TERM
15 IS DEFINED IN AS 28.90.990;

16 (B) EMERGENCY OR FIRE EQUIPMENT THAT IS
17 NECESSARY TO THE PRESERVATION OF LIFE OR PROPERTY;

18 (C) A FARM VEHICLE THAT IS CONTROLLED AND
19 OPERATED BY A FARMER, USED TO TRANSPORT AGRICULTURAL
20 PRODUCTS, FARM MACHINERY, OR FARM SUPPLIES TO OR FROM
21 THAT FARMER'S FARM, NOT USED IN THE OPERATIONS OF A
22 COMMON OR CONTRACT MOTOR CARRIER, AND USED WITHIN 150
23 MILES OF THE FARMER'S FARM;

24 (D) A RECREATIONAL VEHICLE;

25 (E) A TAXICAB;

26 (F) A RENTAL TRUCK; IN THIS SUBPARAGRAPH,
27 "RENTAL TRUCK" MEANS A MOTOR VEHICLE WITH A GROSS
28 VEHICLE WEIGHT RATING GREATER THAN 8,500 POUNDS THAT IS
29 DESIGNED, USED, OR MAINTAINED PRIMARILY FOR THE
30 TRANSPORTATION OF PERSONAL PROPERTY;

31 (G) A VEHICLE PROVIDED BY AN AUTOMOBILE

1 DEALER TO A CUSTOMER AS REPLACEMENT TRANSPORTATION
 2 DURING WARRANTY, RECALL, OR SERVICE CONTRACT REPAIRS IF
 3 THE DEALER DOES NOT RECEIVE COMPENSATION FROM THE
 4 CUSTOMER; OR

5 (H) A MOTORCYCLE OR A MOTOR-DRIVEN CYCLE AS
 6 THOSE TERMS ARE DEFINED IN AS 28.90.990];

7 * **Sec. 5.** AS 43.52.099 is amended by adding a new paragraph to read:

8 (6) "personal property" has the meaning given in AS 01.10.060;

9 * **Sec. 6.** AS 43.52.030 and 43.52.040 are repealed.

10 * **Sec. 7.** This Act takes effect immediately under AS 01.10.070(c).