

SENATE CS FOR CS FOR HOUSE BILL NO. 225(RLS)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SECOND LEGISLATURE - SECOND SESSION

BY THE SENATE RULES COMMITTEE

Offered: 5/12/02

Referred: Today's Calendar

Sponsor(s): REPRESENTATIVES MURKOWSKI, Hudson, Halcro, Crawford

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to state taxation of alcoholic beverages; and increasing the alcoholic**
2 **beverage state tax rates."**

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

4 * **Section 1.** The uncodified law of the State of Alaska is amended by adding a new section
5 to read:

6 PURPOSE. The purpose of the alcohol and other drug abuse treatment and prevention
7 fund established by sec. 4 of this Act is to finance the establishment and maintenance of
8 programs under AS 47.37.030 for the prevention and treatment of alcoholism, drug abuse, and
9 misuse of hazardous volatile materials and substances by inhalant abusers.

10 * **Sec. 2.** AS 43.60.010(a) is amended to read:

11 (a) **Except as provided in (c) of this section, every** [EVERY] brewer,
12 distiller, bottler, jobber, retailer, wholesaler, or manufacturer who sells alcoholic
13 beverages in the state or who consigns shipments of alcoholic beverages into the state,
14 whether or not the alcoholic beverages are brewed, distilled, bottled, or manufactured

in the state, shall pay on all malt beverages (alcoholic content of one percent or more by volume), wines, and hard or distilled alcoholic beverages, the following taxes:

(1) malt beverages at the rate of \$1.07 [35 CENTS] a gallon or fraction of a gallon;

(2) cider with at least 0.5 percent alcohol by volume but not more than seven percent alcohol by volume, at the rate of \$1.07 a gallon or fraction of a gallon;

(3) wine or other beverages, other than beverages described in (1) or (2) of this subsection, of 21 percent alcohol by volume or less, at the rate of \$2.50 [85 CENTS] a gallon or fraction of a gallon; and

(4) [(3)] other beverages having a content of more than 21 percent alcohol by volume at the rate of \$12.80 [\$5.60] a gallon.

* **Sec. 3.** AS 43.60.010 is amended by adding a new subsection to read:

(c) A brewer shall pay a tax at the rate of 35 cents a gallon on sales of the first 60,000 barrels of beer sold in the state each fiscal year beginning July 1, 2001, for beer produced in the United States if the producing brewery meets the qualifications of 26 U.S.C. 5051(a)(2). To qualify for the tax rate under this subsection, the brewer must file with the department a copy of a Bureau of Alcohol, Tobacco and Firearms acknowledged copy of the Brewer's Notice of Intent to Pay Reduced Rate of Tax required under 27 C.F.R. 25.167 for the calendar year in which the fiscal year begins for which the partial exemption is sought. If proof of eligibility is not received by the department before June 1, the tax rate under this subsection does not apply until the first day of the second month after the month the notice is received by the department. For purposes of applying this subsection, a barrel of beer may contain no more than 31 gallons.

* **Sec. 4.** AS 43.60 is amended by adding a new section to read:

Sec. 43.60.050. Disposition of proceeds. (a) The alcohol and other drug abuse treatment and prevention fund is established in the general fund. The Department of Administration shall separately account for 50 percent of the tax collected under AS 43.60.010 and deposit it into the alcohol and other drug abuse treatment and prevention fund.

1 (b) The legislature may use the annual estimated balance in the fund to make
2 appropriations to the Department of Health and Social Services to establish and
3 maintain programs for the prevention and treatment of alcoholism, drug abuse, and
4 misuse of hazardous volatile materials and substances by inhalant abusers under
5 AS 47.37.030.

6 (c) Nothing in this section creates a dedicated fund.