

# REPRESENTATIVE KEVIN J. McCABE

ALASKA STATE LEGISLATURE HOUSE DISTRICT 30

SESSION  
Alaska State Capitol  
Juneau, AK 99801  
Phone: (907) 465-2679  
Toll Free: (800) 505-2678



DISTRICT  
600 E. Railroad Ave., Suite 1  
Wasilla, AK 99654  
Phone: (907) 376-2679  
Toll Free: (800) 505-2678

## **HB1/Ver. A (34-LS0001\A)** **SECTIONAL ANALYSIS**

*“An Act relating to specie as legal tender in the state; and relating to borough and city sales and use taxes on specie.”*

**Sections 1 & 2:** Amend AS 29.10.200 to ensure boroughs and cities cannot impose sales or use taxes on specie by adding new subsections (m) and (i) to the list of protected tax exemptions.

**Section 3:** Updates AS 29.45.650(a) to reference the new prohibition on taxing specie, ensuring boroughs comply with the restriction.

**Section 4:** Adds AS 29.45.650(m), explicitly prohibiting boroughs from levying sales or use taxes on the sale or exchange of specie. This applies to both home rule and general law municipalities.

**Section 5:** Amends AS 29.45.700(a) to ensure city taxation policies align with the borough restrictions on taxing specie.

**Section 6:** Adds AS 29.45.700(i), prohibiting cities from imposing sales or use taxes on specie, applying to both home rule and general law municipalities.

**Section 7:** Creates AS 44.12.400, establishing specie as legal tender in Alaska, including:

- Specie issued by the U.S. government, recognized foreign governments, or the state (if legally authorized).
- No requirement for individuals or businesses to accept specie.
- A Legislative Budget and Audit Committee study on additional legal tender options for state debts, including taxes.
- Defines "specie" as gold or silver in coin or bullion form, valued by metal content.