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## HB1/Ver. A (34-LS0001A) To Ver. B (34-LS001N)

### EXPLANATION OF CHANGES

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

#### Explanation of Changes:

**Section 4 (Page 2, lines 5–8; AS 29.45.650)** narrows the municipal sales and use tax exemption for boroughs. Version A prohibited taxation of the entire sale or exchange of specie. Version B limits the exemption to the value of the gold or silver contained within specie during the sale or exchange. This change preserves municipal authority to continue taxing non-metal components of a transaction, including dealer premiums, services, or collectible value.

**Section 6 (Page 2, lines 15–18; AS 29.45.700)** makes the same narrowing change for cities. Cities may not levy or collect a sales or use tax on the intrinsic value of gold or silver contained within specie but retain authority to tax non-metal portions of a transaction.

**Section 7(b) (Page 3, lines 12–13)** clarifies that neither a person nor a governmental entity is required to accept gold or silver specie as legal tender. This clarification ensures that state and local governments are not compelled to accept specie for the payment of taxes, fees, or other obligations.

**Section 7(c) (Page 3, lines 14–19)** expands the scope of the Legislative Budget and Audit Committee study. In addition to evaluating the feasibility of additional forms of legal tender, the committee is directed to study consumer protections and consumer behavior related to the sale and use of specie before recommending any future legislation.