

ALASKA STATE SENATE

Session:
State Capitol Building,
Room 418
Juneau, AK 99801
Phone: (907) 465-4527



Interim:
P.O. Box 658
Tok, AK 99780
Tok: (907) 883-4527
Fairbanks: (907) 465-4527

Senator Mike Cronk

Sectional Analysis for SB 162

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

Section 1 & Section 2:

Amends 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 value of the metal contained within specie during 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 the value of metal contained within specie, applying to both home rule and general law municipalities.

Section 7:

Creates AS 44.12.400, which:

- Defines "specie" as gold or silver coins, or bullion that is valued by metal content.

- Establishes specie as legal tender in Alaska, including specie issued by the U.S. government, recognized foreign governments, or the state (if legally authorized).
- Clarifies that there is no requirement for private or government entities to accept specie.
- Directs the Legislative Budget and Audit Committee to study the establishment of additional legal tender options for the payment of debts, and to study consumer protections around the exchange of specie.