

HOUSE BILL NO. 248

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-NINTH LEGISLATURE - SECOND SESSION

BY THE HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

Introduced: 1/19/16

Referred:

A BILL

FOR AN ACT ENTITLED

1 **"An Act requiring the electronic submission of a tax return or report with the**
2 **Department of Revenue; relating to the excise tax on alcoholic beverages; and providing**
3 **for an effective date."**

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

5 * **Section 1.** AS 43.05.220 is amended to add a new subsection to read:

6 (f) A penalty of \$25 or one percent of the total tax before any payment,
7 whichever is greater, shall be assessed against a taxpayer that fails to electronically
8 submit a return or report under AS 43.05.222, unless the taxpayer has received an
9 exemption under AS 43.05.222 or can show reasonable cause.

10 * **Sec. 2.** AS 43.05 is amended by adding a new section to read:

11 **Sec. 43.05.222. Electronic submission of return or report.** (a) A taxpayer
12 required to submit a return or report for a tax levied under AS 43 or any other tax
13 administered by the department shall submit the return or report electronically in a
14 format prescribed by the department. Unless the taxpayer has received an exemption

under (b) of this section or can show reasonable cause, a return or report not submitted electronically is subject to a civil penalty under AS 43.05.220.

(b) A taxpayer may request an exemption from the requirement that a return or report be submitted electronically. The taxpayer or taxpayer's representative shall contact the department and request the exemption before the return or report is due and shall submit evidence that the taxpayer does not have the capability to submit the return or report electronically. An exemption granted under this subsection is valid for two years after the first tax filing due date after the exemption is granted; after the two year period, the taxpayer may apply for another exemption.

* **Sec. 3.** AS 43.60.010(a) is amended to read:

(a) Except as provided in (c) of this section, every brewer, distiller, bottler, jobber, retailer, wholesaler, or manufacturer who sells alcoholic beverages in the state or who consigns shipments of alcoholic beverages into the state, 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 \$2.14 [\$1.07] 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 \$2.14 [\$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 \$5 [\$2.50] a gallon or fraction of a gallon; and

(4) other beverages having a content of more than 21 percent alcohol by volume at the rate of \$25.60 [\$12.80] a gallon.

* **Sec. 4.** AS 43.60.010(c) is amended to read:

(c) A brewer shall pay a tax at the rate of 70 [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

1 must file with the department a copy of an Alcohol and Tobacco Tax and Trade
 2 Bureau acknowledged copy of the brewer's notice of intent to pay reduced rate of tax
 3 required under 27 C.F.R. 25.167 for the calendar year in which the fiscal year begins
 4 for which the partial exemption is sought. If proof of eligibility is not received by the
 5 department before June 1, the tax rate under this subsection does not apply until the
 6 first day of the second month after the month the notice is received by the department.
 7 For purposes of applying this subsection, a barrel of beer may contain not more than
 8 31 gallons.

9 * **Sec. 5.** AS 43.60.020(a) is amended to read:

10 (a) Each brewer, distiller, bottler, jobber, wholesaler, manufacturer, or other
 11 consignor shall submit [SEND] a statement [BY AIRMAIL, POSTAGE PREPAID,]
 12 to the department on or before the last day of each calendar month. The statement
 13 must be submitted in a format prescribed by the department. The statement must
 14 contain an account of the alcoholic beverages sold or consigned to buyers or
 15 consignees in the state during the preceding month, setting out

- 16 (1) the total number of gallons, including fractional gallons sold or
 17 consigned;
 18 (2) the names and Alaska address of each buyer and consignee; and
 19 (3) the gallonage of each kind of beverage sold or consigned to the
 20 respective buyers or consignees.

21 * **Sec. 6.** AS 43.60.040(a) is amended to read:

22 (a) Each brewer, distiller, bottler, jobber, wholesaler, or manufacturer is
 23 primarily liable for the payment of the excise taxes on alcoholic beverages sold, and
 24 shall furnish a good and sufficient surety bond in an amount as determined by [OF
 25 \$25,000 PAYABLE TO] the department and approved by the Department of Law. If a
 26 licensee [WHOLESALE] fails to pay the tax to the state the licensee
 27 [WHOLESALE] forfeits the bond and the licensee's [WHOLESALE'S] license
 28 shall be revoked. The department, in its discretion, may issue permits in place of
 29 bonds to resident holders of wholesale, malt beverage, and wine licenses doing
 30 business wholly in the state who pay the tax before shipment.

31 * **Sec. 7.** The uncodified law of the State of Alaska is amended by adding a new section to

1 read:

2 APPLICABILITY. (a) AS 43.60.010(a), as amended by sec. 3 of this Act, and
3 AS 43.60.010(c), as amended by sec. 4 of this Act, apply to alcoholic beverages sold on or
4 after the effective date of this Act.

5 (b) AS 43.60.020(a), as amended by sec. 5 of this Act, applies to the first monthly
6 statement submitted after the first full month after the effective date of this Act.

7 * **Sec. 8.** The uncodified law of the State of Alaska is amended by adding a new section to
8 read:

9 TRANSITION: REGULATIONS. The Department of Revenue may adopt regulations
10 necessary to implement the changes made by this Act. The regulations take effect under
11 AS 44.62 (Administrative Procedure Act), but not before the effective date of the law
12 implemented by the regulation.

13 * **Sec. 9.** Section 8 of this Act takes effect immediately under AS 01.10.070(c).

14 * **Sec. 10.** Except as provided in sec. 9 of this Act, this Act takes effect July 1, 2016.