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HB1/Ver. 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.