



## SECTIONAL ANALYSIS

### SB 218: TAX: ELECTRIC COOPS/GENERATION/STORAGE

#### *Version A*

**Section 1** – Adds a new subsection to AS 10.25.540 exempting electric cooperatives from state and local ad valorem, income, and excise taxes.

**Section 2** – Removes references to electric cooperative tax in AS 10.25.570 and updates refund provisions for local governments.

**Section 3** – Amends AS 42.45.310(f) to maintain tax exemptions for agency property and income and deletes language that previously taxed retail electricity sales by an agency.

**Section 4** – Amends AS 43.98.100(a)—an exemption from taxation for electricity generation and storage facilities placed in service on or after July 1, 2024. The exemption applies under the same conditions as before but adds that if the facility is operated by an entity other than a public utility it can qualify for the exemption if it provides power to an end user who was not receiving electric services from a public utility on July 1, 2026.

**Section 5** – Repeals AS 10.25.540(b)(2), AS 10.25.555, AS 10.25.580, and AS 43.98.100(b) to remove outdated or conflicting provisions.

**Section 6** – Sets the effective date of the Act as July 1, 2026.