

**HOUSE BILL NO. 340**

IN THE LEGISLATURE OF THE STATE OF ALASKA  
TWENTY-SIXTH LEGISLATURE - SECOND SESSION

**BY REPRESENTATIVES OLSON, Chenault**

**Introduced: 2/10/10**

**Referred: Labor and Commerce, Finance**

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act relating to municipal sales or use taxes on motor fuels; and providing for an**  
2 **effective date."**

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

4 **\* Section 1.** AS 29.10.200(51) is amended to read:

5 (51) AS 29.45.650(c), (d), (e), (f), (i), (j), [AND] (k), **and (l)** (sales and  
6 use tax);

7 **\* Sec. 2.** AS 29.10.200(52) is amended to read:

8 (52) AS 29.45.700(d), (e), [AND] (g), **and (h)** (sales and use tax);

9 **\* Sec. 3.** AS 29.45.650(a) is amended to read:

10 (a) Except as provided in AS 04.21.010(c), AS 29.45.750, and [IN (f), (h), (i),  
11 AND (j) OF] this section, a borough may levy and collect a sales tax on sales, rents,  
12 and on services provided in the borough. The sales tax may apply to any or all of these  
13 sources. Notwithstanding other statutes, exemptions may be granted by ordinance. A  
14 borough may wholly or partially exempt a source from a borough sales tax that is

1           taxed by a city in that borough under AS 29.45.700.

2   \* **Sec. 4.** AS 29.45.650 is amended by adding a new subsection to read:

3           (l) A borough may levy and collect a sales or use tax under (i) or (j)(1) of this  
4           section on gasoline or diesel fuel of the type used in cars, trucks, and other motor  
5           vehicles that are driven on roads only at a rate that does not exceed eight cents a  
6           gallon. Rates of sales or use taxes on motor fuel under this subsection do not affect  
7           rates of sales or use taxes levied on other sources. This subsection applies to home rule  
8           and general law municipalities.

9   \* **Sec. 5.** AS 29.45.700(a) is amended to read:

10           (a) A city in a borough that levies and collects areawide sales and use taxes  
11           may levy sales and use taxes on all sources taxed by the borough in the manner  
12           provided for boroughs. Except as provided in [(d) AND (e) OF] this section, the  
13           assembly may by ordinance authorize a city to levy and collect sales and use taxes on  
14           other sources.

15   \* **Sec. 6.** AS 29.45.700 is amended by adding a new subsection to read:

16           (h) A city may levy and collect a sales or use tax under (e) or (f)(1) of this  
17           section on gasoline or diesel fuel of the type used in cars, trucks, and other motor  
18           vehicles that are driven on roads only at a rate that does not exceed eight cents a  
19           gallon. Rates of sales or use taxes on motor fuel under this subsection do not affect  
20           rates of sales or use taxes levied on other sources. This subsection applies to home rule  
21           and general law cities.

22   \* **Sec. 7.** This Act takes effect January 1, 2011.