

28-LS1406C
Strasbaugh
3/10/14

CS FOR SENATE BILL NO. 178()
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-EIGHTH LEGISLATURE - SECOND SESSION

BY

Offered:
Referred:

Sponsor(s): SENATORS BISHOP, Micciche, Giessel, Dyson

A BILL
FOR AN ACT ENTITLED

1 "An Act relating to the passenger and recreational vehicle rental taxes; and providing
2 for an effective date."

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

4 * Section 1. AS 43.52.010 is amended to read:

5 Sec. 43.52.010. Levy of passenger and recreational vehicle rental tax. There
6 is imposed an excise tax on the charge for the lease or rental of a passenger or
7 recreational vehicle in this state [IF THE LEASE OR RENTAL OF THE
8 PASSENGER VEHICLE DOES NOT EXCEED A PERIOD OF 90 CONSECUTIVE
9 DAYS].

10 * Sec. 2. AS 43.52.010 is amended by adding new subsections to read:

- 11 (b) A lease or rental is exempt from the tax imposed under (a) of this section if
12 (1) the initial lease or rental contract is for a period of 30 days or more;
13 (2) the initial lease or rental contract is in writing; and
14 (3) the lease or rental contract is not terminated before the expiration

1 of 30 days.

2 (c) An extension of a lease or rental that is exempt under (b) of this section is
3 exempt if the extension is agreed upon before the expiration of the initial 30-day lease
4 or rental period and there is no break between the initial period and the period of the
5 extension.

6 * Sec. 3. AS 43.52.020 is amended to read:

7 Sec. 43.52.020. Rate of [PASSENGER] vehicle rental tax. The rate of the
8 tax levied in AS 43.52.010 is

9 (1) 10 percent of the total fees and costs charged for the lease or rental
10 of a [THE] passenger vehicle;

11 (2) three percent of the total fees and costs charged for the lease or
12 rental of a recreational vehicle.

13 * Sec. 4. AS 43.52.099(2) is amended to read:

14 (2) "passenger vehicle" means a motor vehicle as defined in
15 AS 28.90.990 that is driven or moved on a highway or other public right-of-way in the
16 state, and is rented or leased for the primary purpose of transporting passengers
17 but does not include

18 (A) a commercial motor vehicle as that term is defined in
19 AS 28.90.990;

20 (B) emergency or fire equipment that is necessary to the
21 preservation of life or property;

22 (C) a farm vehicle that is controlled and operated by a farmer,
23 used to transport agricultural products, farm machinery, or farm supplies to or
24 from that farmer's farm, not used in the operations of a common or contract
25 motor carrier, and used within 150 miles of the farmer's farm;

26 (D) a recreational vehicle;

27 (E) a taxicab;

28 (F) [A RENTAL TRUCK; IN THIS SUBPARAGRAPH,
29 "RENTAL TRUCK" MEANS] a motor vehicle with a gross vehicle weight
30 rating greater than 6,500 [8,500] pounds [THAT IS DESIGNED, USED, OR
31 MAINTAINED PRIMARILY FOR THE TRANSPORTATION OF

1 PERSONAL PROPERTY];

2 (G) a vehicle provided by an automobile dealer to a customer
3 as replacement transportation during warranty, recall, or service contract
4 repairs if the dealer does not receive compensation from the customer; or

5 (H) a motorcycle or a motor-driven cycle as those terms are
6 defined in AS 28.90.990;

7 * Sec. 5. AS 43.52.030 and 43.52.040 are repealed.

8 * Sec. 6. This Act takes effect immediately under AS 01.10.070(c).