



## Sectional Analysis, SB 132 / HB 249

### Motor Fuel Tax Bill

January 22, 2016

- Sec. 1.** Adds a \$25 or 1% tax penalty for failure to file electronically unless an exemption is received by the taxpayer
- Sec. 2.** Requires electronic submission of tax returns, license applications, and other documents submitted to the Department of Revenue. This changes the general tax statutes, AS 43.05, and will apply to all tax types administered by the department. Provides a process to request an exemption if a taxpayer does not have the technological capability to do so.
- Sec. 3.** Changes the per-gallon tax rates for dealers for all categories of motor fuel: highway fuel and gasohol from \$0.08 to \$0.16; marine fuel from \$0.05 to \$0.10; aviation gasoline from \$0.047 to \$0.10; and jet fuel from \$0.032 to \$0.10.
- Sec. 4.** Changes the per-gallon tax rates for users for all categories of motor fuel: highway fuel and gasohol from \$0.08 to \$0.16; marine fuel from \$0.05 to \$0.10; aviation gasoline from \$0.047 to \$0.10; and jet fuel from \$0.032 to \$0.10.
- Sec. 5.** Changes the motor fuel refund rate for “off-road use”, when the tax has been paid, from \$0.06 to \$0.12.
- Sec. 6.** Conforming applicability language clarifying that the tax increases apply to motor fuel sold after the effective date and the electronic filing requirement applies to returns submitted after the effective date.
- Sec. 7.** Transitional language allowing for regulations to implement the changes.
- Sec. 8.** Immediate effective date for the transitional regulatory language in Sec. 7.
- Sec. 9.** Effective date of 7/1/16 for the rest of the bill including the tax rate changes.