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Nauman  
3/25/15

**CS FOR SENATE BILL NO. 66( )**

**IN THE LEGISLATURE OF THE STATE OF ALASKA**

**TWENTY-NINTH LEGISLATURE - FIRST SESSION**

**BY**

**Offered:**

**Referred:**

**Sponsor(s): SENATOR GIESSEL**

**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 driven or moved primarily on a highway or other public  
8 right-of-way maintained by the [IN THIS] state [IF THE LEASE OR RENTAL OF  
9 THE PASSENGER VEHICLE DOES NOT EXCEED A PERIOD OF 90  
10 CONSECUTIVE DAYS].

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

12 (b) A lease or rental is exempt from the tax imposed under (a) of this section if  
13 (1) the initial lease or rental contract is for a period of  
14 (A) 28 days or more for a passenger vehicle;

- 1 (B) 90 days or more for a recreational vehicle;
- 2 (2) the initial lease or rental contract is in writing; and
- 3 (3) the lease or rental contract is not terminated before the expiration
- 4 of 28 days for a passenger vehicle or 90 days for a recreational vehicle.

5 (c) An extension of a lease or rental that is exempt under (b) of this section is  
 6 exempt if the extension is agreed upon before the expiration of the initial 28-day lease  
 7 or rental period for a passenger vehicle or the initial 90-day lease or rental period for a  
 8 recreational vehicle and there is no break between the initial period and the period of  
 9 the extension.

10 \* Sec. 3. AS 43.52.020 is amended to read:

11 **Sec. 43.52.020. Rate of [PASSENGER] vehicle rental tax.** The rate of the  
 12 tax levied in AS 43.52.010 is

13 (1) 10 percent of the total fees and costs charged for the lease or rental  
 14 of a [THE] passenger vehicle;

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

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

18 (2) "passenger vehicle" means a motor vehicle as defined in  
 19 AS 28.90.990, including a car, sport utility vehicle, van, or truck, that is licensed  
 20 to operate [DRIVEN OR MOVED ON A HIGHWAY OR OTHER PUBLIC RIGHT-  
 21 OF-WAY] in the state, but does not include

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

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

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

30 (D) a recreational vehicle;

31 (E) a taxicab;

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(F) a rental truck; in this subparagraph, "rental truck" means a motor vehicle with a gross vehicle weight rating greater than 8,500 pounds that is designed, used, or maintained primarily for the transportation of personal property;

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

(H) a motorcycle or a motor-driven cycle as those terms are defined in AS 28.90.990 and a sidecar for a motorcycle or motor-driven cycle;

(I) a construction vehicle;

(J) a vehicle used exclusively for hauling or delivering cargo;

(K) an all-terrain vehicle;

(L) a trailer designed to carry property;

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

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