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HB 123\Ver. A **Sectional Analysis**

"An Act relating to vehicle rental taxes; relating to the issuance of subpoenas related to tax records; and providing for an effective date."

Sec. 1: Amends AS 43.05.040(c) to refine subpoena enforcement for tax records, specifying superior court jurisdiction and maximum legal compulsion.

Sec. 2: Amends AS 43.52.020 to adjust passenger vehicle rental tax rates: reduces rate from 10% to 9% for direct rentals; sets 7% rate for rentals via vehicle rental platforms.

Sec. 3: Amends AS 43.52.050(a) to clarify tax collection responsibilities: direct providers collect unless via a platform, with platforms paying quarterly.

Sec. 4: Adds AS 43.52.050(c)-(e): mandates platforms with over 200 annual transactions to collect and pay taxes, provides liability exemption for platforms if given incorrect data, and defines key terms.

Sec. 5: Adds uncodified law barring post-effective date assessment/collection of pre-effective date taxes on platform transactions. Prohibits the Department of Revenue from assessing or collecting vehicle rental taxes imposed before the effective date of this Act.

Sec. 6: Sets immediate effective date.