

CS FOR HOUSE BILL NO. 383(CRA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

Offered: 2/28/96

Referred: State Affairs, Finance

Sponsor(s): REPRESENTATIVES IVAN, Brown, Elton, Nicholia

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to municipal taxation of alcoholic beverages; increasing and
2 requiring annual adjustment of the tax on alcoholic beverages; relating to
3 reimbursement by the state to municipalities and certain established villages for
4 services provided to individuals incapacitated by alcohol; and providing for an
5 effective date."

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

7 * **Section 1.** AS 04.21.010(c) is amended to read:

8 (c) A municipality may not impose taxes on alcoholic beverages except a

9 (1) property tax on alcoholic beverage inventories;

10 (2) sales tax on alcoholic beverage sales; a sales tax imposed on
11 alcoholic beverage sales may be equal to, higher, or lower than a sales tax, if any,

12 [IF SALES TAXES ARE] imposed on other sales within the municipality; and

13 (3) [SALES TAX ON ALCOHOLIC BEVERAGE SALES THAT WAS

14 IN EFFECT BEFORE JULY 1, 1985; AND

1 (4)] sales and use tax on alcoholic beverages if the sale of alcoholic
2 beverages within the municipality has been prohibited under AS 04.11.491(a)(1), (4), or
3 (5).

4 * **Sec. 2.** AS 43.60.010(a) is amended to read:

5 (a) Every brewer, distiller, bottler, jobber, retailer, wholesaler, or manufacturer
6 who sells alcoholic beverages in the state or who consigns shipments of alcoholic
7 beverages into the state, whether or not the alcoholic beverages are brewed, distilled,
8 bottled, or manufactured in the state, shall pay on all malt beverages (alcoholic content
9 of one percent or more by volume), wines, and hard or distilled alcoholic beverages, the
10 following taxes:

11 (1) malt beverages at the rate of \$1.05 [35 CENTS] a gallon or fraction
12 of a gallon;

13 (2) wine or other beverages of 21 percent alcohol by volume or less, at
14 the rate of \$2.50 [85 CENTS] a gallon or fraction of a gallon; and

15 (3) other beverages having a content of more than 21 percent alcohol by
16 volume at the rate of \$8.50 [\$5.60] a gallon.

17 * **Sec. 3.** AS 43.60.010 is amended by adding a new subsection to read:

18 (c) The department shall on July 1 of each year adjust the tax rates imposed
19 under (a) of this section to reflect increases in the Consumer Price Index for all urban
20 consumers for all items for the Anchorage metropolitan area compiled by the Bureau of
21 Labor Statistics, United States Department of Labor, for the second half of the preceding
22 calendar year. The semiannual index for the second half of 1994 is the reference base
23 index. The department shall round the amount adjusted under this subsection to the
24 nearest cent. The revised tax rates shall be provided to the legislature and each brewer,
25 distiller, bottler, jobber, retailer, wholesale, or manufacturer who sells alcoholic beverages
26 in the state, and made available to the public.

27 * **Sec. 4.** AS 47.37.170(j) is amended to read:

28 (j) For purposes of (b) **and (k)** of this section, "incapacitated by alcohol"
29 means a person who, as the result of consumption of alcohol, is rendered unconscious
30 or has judgment or physical mobility so impaired that the person cannot readily
31 recognize or escape conditions of apparent or imminent danger to personal health or
32 safety. The definition in AS 47.37.270 applies to other portions of this chapter.

1 * **Sec. 5.** AS 47.37.170 is amended by adding a new subsection to read:

2 (k) A municipality or a traditional village council of an established village is
3 eligible for reimbursement from the state through the Department of Revenue for
4 services provided under this section by the municipality or established village to
5 individuals incapacitated by alcohol. To obtain a reimbursement payment, the
6 municipality or traditional village council shall apply by January 15 to the Department
7 of Revenue for payment for the immediately preceding year on forms and in the
8 manner prescribed by the Department of Revenue. Each applicant shall submit with
9 the application evidence satisfactory to the Department of Revenue for determination
10 of the amount of reimbursement the applicant qualifies to receive. Money from the
11 tax on alcoholic beverages under AS 43.60.010 may be appropriated for reimbursement
12 payments under this subsection. If appropriations are not sufficient to fully fund
13 reimbursement payments, the amount available shall be distributed pro rata among
14 eligible applicants. For purposes of this subsection, "established village" has the
15 meaning given in AS 47.37.045(e).

16 * **Sec. 6.** Notwithstanding sec. 7 of this Act and AS 43.60.010(c), enacted in sec. 3 of this
17 Act, the Department of Revenue shall, by June 1, 1997, determine the increase in tax rates
18 resulting from implementation of AS 46.60.010(c), enacted in sec. 3 of this Act, and impose
19 the new tax rates beginning July 1, 1997.

20 * **Sec. 7.** This Act takes effect July 1, 1996.