

CS FOR HOUSE BILL NO. 443(STA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE STATE AFFAIRS COMMITTEE

Offered: 3/18/96

Referred: Judiciary, Finance

Sponsor(s): HOUSE RULES COMMITTEE BY REQUEST OF THE LONG RANGE FINANCIAL PLANNING COMMISSION

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the tax on transfers or consumption of motor fuel, and
2 repealing the exemption from that tax for motor fuel which is at least 10 percent
3 alcohol by volume; and providing for an effective date."

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

5 * **Section 1.** AS 43.40.010(a) is amended to read:

6 (a) There is levied a tax of 15 [EIGHT] cents a gallon on all motor fuel sold or
7 otherwise transferred within the state, except that

8 (1) the tax on aviation gasoline is four and seven-tenths cents a gallon;

9 (2) the tax on motor fuel used in and on watercraft of all descriptions is
10 eight [FIVE] cents a gallon; and

11 (3) the tax on all aviation fuel other than gasoline is three and two-tenths
12 cents a gallon.

13 * **Sec. 2.** AS 43.40.010(a) is amended to read:

14 (a) There is levied a tax of 22 [15] cents a gallon on all motor fuel sold or

1 otherwise transferred within the state, except that

2 (1) the tax on aviation gasoline is four and seven-tenths cents a gallon;

3 (2) the tax on motor fuel used in and on watercraft of all descriptions is
4 eight cents a gallon; and

5 (3) the tax on all aviation fuel other than gasoline is three and two-tenths
6 cents a gallon.

7 * **Sec. 3.** AS 43.40.010(b) is amended to read:

8 (b) There is levied a tax of 15 [EIGHT] cents a gallon on all motor fuel
9 consumed by a user, except that

10 (1) the tax on aviation gasoline consumed is four and seven-tenths cents
11 a gallon;

12 (2) the tax on motor fuel used in and on watercraft of all descriptions is
13 eight [FIVE] cents a gallon; and

14 (3) the tax on all aviation fuel other than gasoline is three and two-tenths
15 cents a gallon.

16 * **Sec. 4.** AS 43.40.010(b) is amended to read:

17 (b) There is levied a tax of 22 [15] cents a gallon on all motor fuel consumed
18 by a user, except that

19 (1) the tax on aviation gasoline consumed is four and seven-tenths cents
20 a gallon;

21 (2) the tax on motor fuel used in and on watercraft of all descriptions is
22 eight cents a gallon; and

23 (3) the tax on all aviation fuel other than gasoline is three and two-tenths
24 cents a gallon.

25 * **Sec. 5.** AS 43.40.015(d) is amended to read:

26 (d) A certificate of use is not required

27 (1) for fuel exempted under AS 43.40.100(2)(C) [, (F),] or (K); and

28 (2) for fuel exempted under AS 43.40.100(2)(J) other than fuel sold or
29 transferred under this exemption to a person who is engaged in construction or mining
30 activity.

31 * **Sec. 6.** AS 43.40.030(a) is amended to read:

32 (a) Except as specified in AS 43.40.010(j), a person who uses motor fuel to

1 operate an internal combustion engine is entitled to a refund of 11 [SIX] cents a gallon
2 if

3 (1) the tax on the motor fuel has been paid;

4 (2) the motor fuel is not aviation fuel, or motor fuel used in or on
5 watercraft; and

6 (3) the internal combustion engine is not used in or in conjunction with
7 a motor vehicle licensed to be operated on public ways.

8 * **Sec. 7.** AS 43.40.030(a) is amended to read:

9 (a) Except as specified in AS 43.40.010(j), a person who uses motor fuel to
10 operate an internal combustion engine is entitled to a refund of 16 [11] cents a gallon
11 if

12 (1) the tax on the motor fuel has been paid;

13 (2) the motor fuel is not aviation fuel, or motor fuel used in or on
14 watercraft; and

15 (3) the internal combustion engine is not used in or in conjunction with
16 a motor vehicle licensed to be operated on public ways.

17 * **Sec. 8.** AS 43.40.100(2)(F) is repealed.

18 * **Sec. 9.** Sections 1 - 8 of this Act take effect only if, at the November 1996 general election,
19 the voters approve a constitutional amendment that establishes a special fund for the revenue
20 derived from state taxes on fuel used for the propulsion of highway or road use vehicles and
21 limits the use of money in that fund and the income earned from the fund's investment to paying
22 the costs of road and highway maintenance.

23 * **Sec. 10.** If this Act takes effect, secs. 1, 3, 5, 6, and 8 of this Act take effect July 1, 1997.

24 * **Sec. 11.** If this Act takes effect, secs. 2, 4, and 7 of this Act take effect July 1, 1998.

25 * **Sec. 12.** Section 9 of this Act takes effect immediately under AS 01.10.070(c).