

SENATE BILL NO. 234

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE RULES COMMITTEE BY REQUEST OF THE LONG RANGE FINANCIAL
PLANNING COMMISSION

Introduced: 1/22/96

Referred: STA, JUD, FIN

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to taxes on cigarettes and tobacco products; and providing for
2 an effective date."

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

4 * **Section 1.** AS 43.50.190(a) is amended to read:

5 (a) **On** [THERE IS LEVIED AN EXCISE TAX OF 12 MILLS ON] each
6 cigarette imported or acquired in this state, **there is levied an excise tax at the**
7 **following rates:**

8 (1) **on and after the effective date of this Act and through June 30,**
9 **1999 - 62 mills;**

10 (2) **after June 30, 1999, and through June 30, 2002 - 74 mills;**

11 (3) **after June 30, 2002, and through June 30, 2005 - 86 mills; and**

12 (4) **after June 30, 2005 - 86 mills plus an additional 12 mills during**
13 **each succeeding three-year period, the increase to be effective on the first day of**
14 **the succeeding three-year period.**

1 * **Sec. 2.** AS 43.50.190 is amended by adding a new subsection to read:

2 (c) At the time of a change in the amount of tax under (a) of this section, the
3 department shall give public notice of the change. The department shall also provide
4 notification of the change to all persons licensed under this chapter.

5 * **Sec. 3.** AS 43.50.300 is amended to read:

6 Sec. 43.50.300. EXCISE TAX LEVIED. An excise tax is levied on tobacco
7 products in the state at the rate of 100 [25] percent of the wholesale price of the
8 tobacco products. The tax is levied when a person

9 (1) brings, or causes to be brought, a tobacco product into the state
10 from outside the state for sale;

11 (2) makes, manufactures, or fabricates a tobacco product in the state
12 for sale in the state; or

13 (3) ships or transports a tobacco product to a retailer in the state for
14 sale by the retailer.

15 * **Sec. 4.** This Act takes effect October 1, 1996.