

SENATE BILL NO. 236

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 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 22 [EIGHT] cents a gallon on all motor fuel sold
7 or 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
10 is eight [FIVE] cents a gallon; and

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

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

14 (b) There is levied a tax of 22 [EIGHT] cents a gallon on all motor fuel

1 consumed by a user, except that
2 (1) the tax on aviation gasoline consumed is four and seven-tenths cents
3 a gallon;
4 (2) the tax on motor fuel used in and on watercraft of all descriptions
5 is eight [FIVE] cents a gallon; and
6 (3) the tax on all aviation fuel other than gasoline is three and two-
7 tenths cents a gallon.

8 * **Sec. 3.** AS 43.40.015(d) is amended to read:

9 (d) A certificate of use is not required
10 (1) for fuel exempted under AS 43.40.100(2)(C) [, (F),] or (K); and
11 (2) for fuel exempted under AS 43.40.100(2)(J) other than fuel sold or
12 transferred under this exemption to a person who is engaged in construction or mining
13 activity.

14 * **Sec. 4.** AS 43.40.030(a) is amended to read:

15 (a) Except as specified in AS 43.40.010(j), a person who uses motor fuel to
16 operate an internal combustion engine is entitled to a refund of 16 [SIX] cents a gallon
17 if
18 (1) the tax on the motor fuel has been paid;
19 (2) the motor fuel is not aviation fuel, or motor fuel used in or on
20 watercraft; and
21 (3) the internal combustion engine is not used in or in conjunction with
22 a motor vehicle licensed to be operated on public ways.

23 * **Sec. 5.** AS 43.40 is amended by adding a new section to read:

24 Sec. 43.40.045. TAX AND REFUND ADJUSTMENT. (a) The amounts in
25 AS 43.40.010(a) and (b) and 43.40.030(a) change, as provided in this section,
26 according to and to the extent of changes in the Consumer Price Index for all urban
27 consumers for the Anchorage Metropolitan Area compiled by the Bureau of Labor
28 Statistics, United States Department of Labor. The index for January of 1997 is the
29 reference base index.

30 (b) The amounts change on July 1 of each even-numbered year in an amount
31 equal to the percentage of change, calculated to the nearest whole percentage point,

1 between the index for January of that year and the most recent index used to change
2 the amounts in AS 43.40.010(a) and (b) and 43.40.030(a). However, the amounts do
3 not change if the amounts required by this section are those currently in effect as a
4 result of earlier application of this section.

5 (c) If the index is revised, the percentage of change is calculated on the basis
6 of the revised index. If a revision of the index changes the reference base index, a
7 revised reference base index is determined by multiplying the reference base index
8 applicable by the rebasing factor furnished by the United States Bureau of Labor
9 Statistics. If the index is superseded, the index referred to in this section is the one
10 represented by the Bureau of Labor Statistics as reflecting most accurately changes in
11 the purchasing power of the dollar for Alaskan consumers.

12 (d) At the time of a change in the amount of tax required by (b) of this
13 section, the department shall promptly give public notice of the change. The
14 department shall also provide notification of a change in amounts required under (b)
15 of this section to all dealers that collect the tax levied by AS 43.40.010.

16 * **Sec. 6.** AS 43.40.100(2)(F) is repealed.

17 * **Sec. 7.** This Act takes effect October 1, 1996.