

CS FOR HOUSE BILL NO. 63(TRA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTIETH LEGISLATURE - FIRST SESSION

BY THE HOUSE TRANSPORTATION COMMITTEE

Offered: 2/27/97
Referred: Finance

Sponsor(s): REPRESENTATIVES THERRIAULT, Davies, Kelly, Brice

A BILL

FOR AN ACT ENTITLED

1 "An Act extending the motor fuel tax exemption for fuel sold for use in jet
2 propulsion aircraft to fuel used in those aircraft for flights that continue from
3 a foreign country, and exempting from the motor fuel tax residual fuel oil that
4 is used in and on passenger watercraft if the residual fuel oil is sold or
5 transferred in the state or consumed by a user; and providing for an effective
6 date."

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

8 * **Section 1.** AS 43.40.100(2) is amended to read:

9 (2) "motor fuel" means fuel used in an engine for the propulsion of a
10 motor vehicle or aircraft, and fuel used in and on watercraft for any purpose, or in a
11 stationary engine, machine, or mechanical contrivance **that** [WHICH] is run by an
12 internal combustion motor; "motor fuel" does not include

13 (A) fuel consigned to foreign countries;

1 (B) fuel sold for use in jet propulsion aircraft operating in
2 flights to foreign countries or in flights that continue from foreign countries;

3 (C) fuel used in stationary power plants operating as public
4 utility plants and generating electrical energy for sale to the general public;

5 (D) fuel used by nonprofit power associations or corporations
6 for generating electric energy for resale;

7 (E) fuel used by charitable institutions;

8 (F) fuel that [WHICH] is at least 10 percent alcohol by volume;

9 (G) fuel sold or transferred between qualified dealers;

10 (H) fuel sold to federal, state, and local government agencies
11 for official use;

12 (I) fuel used in stationary power plants that generate electrical
13 energy for private residential consumption;

14 (J) fuel used to heat private or commercial buildings or
15 facilities;

16 (K) fuel used for other nontaxable purposes as prescribed by
17 regulations adopted by the department; [OR]

18 (L) fuel used in stationary power plants of 100 **kilowatts** [KW]
19 or less that generate electrical power for commercial enterprises not for resale;
20 or

21 **(M) residual fuel oil used in and on passenger watercraft if**
22 **the residual fuel oil is sold or transferred in the state or consumed by a**
23 **user; for purposes of this subparagraph,**

24 **(i) "passenger watercraft" means watercraft that are**
25 **capable of carrying passengers for hire and that are principally**
26 **used for that purpose;**

27 **(ii) "residual fuel oil" means the heavy refined**
28 **hydrocarbon known as number 6 fuel oil that is the residue from**
29 **crude oil after refined petroleum products have been extracted by**
30 **the refining process and that may be consumed or used only when**
31 **sufficient heat is provided to the oil to reduce its viscosity rated by**

1 **kinetic unit and to give it fluid properties sufficient for pumping**
2 **and combustion;**

3 * **Sec. 2.** Chapter 42, SLA 1994, is repealed.

4 * **Sec. 3.** This Act takes effect July 1, 1997.