

**CS FOR HOUSE BILL NO. 63(FIN)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTIETH LEGISLATURE - FIRST SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered: 4/4/97

Referred: Rules

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

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to the motor fuel tax and to the definition of 'motor fuel'  
2 under that tax; and providing for an effective date."

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

4 \* **Section 1.** AS 43.40.015(d) is amended to read:

5 (d) A certificate of use is not required

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

7 and

8 (2) for fuel exempted under AS 43.40.100(2)(I) [AS 43.40.100(2)(J)]

9 other than fuel sold or transferred under this exemption to a person who is engaged in  
10 construction or mining activity.

11 \* **Sec. 2.** AS 43.40.100(2) is amended to read:

12 (2) "motor fuel" means fuel used in an engine for the propulsion of a  
13 motor vehicle or aircraft, and fuel used in and on watercraft for any purpose, or in a  
14 stationary engine, machine, or mechanical contrivance that [WHICH] is run by an

1 internal combustion motor; "motor fuel" does not include

2 (A) fuel consigned to foreign countries;

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

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

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

9 (E) fuel used by charitable institutions;

10 (F) [FUEL WHICH IS AT LEAST 10 PERCENT ALCOHOL  
11 BY VOLUME;

12 (G)] fuel sold or transferred between qualified dealers;

13 (G) [(H)] fuel sold to federal, state, and local government  
14 agencies for official use;

15 (H) [(I)] fuel used in stationary power plants that generate  
16 electrical energy for private residential consumption;

17 (I) [(J)] fuel used to heat private or commercial buildings or  
18 facilities;

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

21 (K) [(L)] fuel used in stationary power plants of 100 **kilowatts**  
22 [KW] or less that generate electrical power for commercial enterprises not for  
23 resale; or

24 (L) residual fuel oil used in and on watercraft if the residual  
25 fuel oil is sold or transferred in the state or consumed by a user; for  
26 purposes of this subparagraph, "residual fuel oil" means the heavy refined  
27 hydrocarbon known as number 6 fuel oil that is the residue from crude oil  
28 after refined petroleum products have been extracted by the refining  
29 process and that may be consumed or used only when sufficient heat is  
30 provided to the oil to reduce its viscosity rated by kinetic unit and to give  
31 it fluid properties sufficient for pumping and combustion;

- 1 \* **Sec. 3.** Chapter 42, SLA 1994, is repealed.
- 2 \* **Sec. 4.** This Act takes effect July 1, 1997.