

CS FOR HOUSE BILL NO. 303(STA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SECOND LEGISLATURE - SECOND SESSION

BY THE HOUSE STATE AFFAIRS COMMITTEE

Offered: 3/15/02

Referred: Finance

Sponsor(s): REPRESENTATIVES WHITAKER, Fate, Lancaster

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to the levy and collection of a retail sales tax and to collection of**
2 **municipal taxes."**

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

4 *** Section 1.** AS 29.45 is amended by adding a new section to read:

5 **Article 5A. Collection of Sales and Use Tax by the State.**

6 **Sec. 29.45.750. Collection of municipal sales and use tax by the state. (a)**

7 The Department of Revenue may collect a sales and use tax levied by a municipality
8 under AS 29.45.650 or 29.45.700 and remit it to the municipality if

9 (1) requested to do so by municipal ordinance; and

10 (2) the municipality's sales and use tax ordinance is consistent with

11 AS 43.44.

12 (b) The department may negotiate with the municipality and retain a
13 reasonable fee for services under (a) of this section.

14 *** Sec. 2.** AS 43 is amended by adding a new chapter to read:

1 **Chapter 44. Retail Sales Tax.**

2 **Sec. 43.44.010. Levy of retail sales tax; tax rate.** (a) A retail sales tax is
3 levied on the retail sale or other transfer for consideration of goods, on rents, and on
4 services performed for consideration in the state.

5 (b) The rate of the tax is three percent of the price of goods sold or otherwise
6 transferred, rents, and the value of services performed.

7 **Sec. 43.44.020. Exemptions.** The tax levied under AS 43.44.010 does not
8 apply to

9 (1) goods sold, rents, or services performed that are

10 (A) explicitly exempted from taxation under another provision
11 of state law; or

12 (B) exempt from taxation under federal law, including sales to
13 the federal government, and purchases made with

14 (i) food coupons, food stamps, or other types of
15 certificates issued under 7 U.S.C. 2011 - 2036 (Food Stamp Act); and

16 (ii) food instruments, food vouchers, or other types of
17 certificates issued under 42 U.S.C. 1786 (special supplemental nutrition
18 program for women, infants, and children);

19 (2) sales of goods or services for resale;

20 (3) electricity, natural gas, and water and sewer utility services;

21 (4) funeral, cemetery, and crematory goods and services;

22 (5) health care services provided by a person licensed or certified to
23 provide those services under AS 08;

24 (6) prescription drugs, devices, and supplies prescribed by a person
25 licensed to prescribe those goods under AS 08;

26 (7) that part of the selling price of a single item or the periodic selling
27 price of a single service that exceeds \$2,000;

28 (8) educational services;

29 (9) petroleum and petroleum products;

30 (10) real estate rentals;

31 (11) construction services;

1 (12) admission to museums and historic sites.

2 **Sec. 43.44.030. Collection of retail sales tax.** (a) A seller shall add the
3 amount of the tax levied by this chapter to the total price of goods, rentals, or services
4 subject to the tax, and the tax shall be stated separately on any sales receipt, invoice, or
5 other record of the sale or rental.

6 (b) A seller shall collect the tax from the purchaser and remit the tax collected
7 to the department not later than 30 days following the last day of the month in which
8 the tax was collected.

9 (c) A seller remitting the tax collected under this chapter to the department
10 within 30 days after the last day of the month in which the tax was collected may
11 retain one percent of the amount collected to cover expenses associated with collecting
12 and remitting the tax.

13 **Sec. 43.44.040. Accounting.** The department shall deposit the proceeds of the
14 retail sales tax levied under this chapter in the general fund of the state.

15 * **Sec. 3.** The uncodified law of the State of Alaska is amended by adding a new section to
16 read:

17 **CONDITIONAL EFFECT.** This Act takes effect only if enacted appropriations
18 summarized by the Legislative Finance Division of the Alaska State Legislature in the general
19 fund section of the "operating" portion of the "total authorization to spend" for fiscal year
20 2003, calculated in the same manner as the enacted appropriations summarized in the general
21 fund section of the "operating" portion of the "total authorization to spend" for fiscal year
22 2002 reported in the Summary of Appropriations, 2001 Session, published by the Legislative
23 Finance Division, do not exceed the enacted appropriations summarized in the general fund
24 section of the "operating" portion of the "total authorization to spend" for fiscal year 2002
25 reported in that Summary of Appropriations.