

**CS FOR HOUSE BILL NO. 225(L&C)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SECOND LEGISLATURE - FIRST SESSION

BY THE HOUSE LABOR AND COMMERCE COMMITTEE

Offered: 4/19/01  
Referred: Finance

Sponsor(s): REPRESENTATIVES MURKOWSKI, Hudson, Halcro

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to state taxation of alcoholic beverages; and increasing the alcoholic  
2 beverage state tax rates."

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

4 \* **Section 1.** AS 43.60.010(a) is amended to read:

5 (a) Except as provided in (c) of this section, every [EVERY] brewer,  
6 distiller, bottler, jobber, retailer, wholesaler, or manufacturer who sells alcoholic  
7 beverages in the state or who consigns shipments of alcoholic beverages into the state,  
8 whether or not the alcoholic beverages are brewed, distilled, bottled, or manufactured  
9 in the state, shall pay on all malt beverages (alcoholic content of one percent or more  
10 by volume), wines, and hard or distilled alcoholic beverages, the following taxes:

11 (1) malt beverages at the rate of \$1.42 [35 CENTS] a gallon or fraction  
12 of a gallon;

13 (2) cider with at least 0.5 percent alcohol by volume but not more  
14 than 7 percent alcohol by volume, at the rate of \$1.42 a gallon or fraction of a

1        **gallon;**

2                                **(3)** wine or other beverages, **other than beverages described in (1) or**  
 3        **(2) of this subsection,** of 21 percent alcohol by volume or less, at the rate of **\$3.41**  
 4        [85 CENTS] a gallon or fraction of a gallon; and

5                                **(4)** [(3)] other beverages having a content of more than 21 percent  
 6        alcohol by volume at the rate of **\$18.40** [\$5.60] a gallon.

7        \* **Sec. 2.** AS 43.60.010 is amended by adding a new subsection to read:

8                                (c) A brewer shall pay a tax at the rate of 35 cents a gallon on sales of the first  
 9        60,000 barrels of beer sold in the state each fiscal year beginning July 1, 2001, for beer  
 10       produced in the United States if the producing brewery meets the qualifications of 26  
 11       U.S.C. 5051(a)(2). To qualify for the tax rate under this subsection, the brewer must  
 12       file with the department a copy of a Bureau of Alcohol, Tobacco and Firearms  
 13       acknowledged copy of the brewer's Notice of Brewer to Pay Reduced Rate of Tax  
 14       required under 27 C.F.R. 25.167 for the calendar year in which the fiscal year begins  
 15       for which the partial exemption is sought. If proof of eligibility is not received by the  
 16       department before June 1, the tax rate under this subsection does not apply until the  
 17       first day of the second month after the month the notice is received by the department.  
 18       For purposes of applying this subsection, a barrel of beer may contain no more than 31  
 19       gallons.