

SENATE BILL NO. 347

IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-SECOND LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Introduced: 3/6/02
Referred: Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to taxation."

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

3 * **Section 1.** AS 04.21.010(c) is amended to read:

4 (c) A municipality may not impose taxes on alcoholic beverages except a

5 (1) property tax on alcoholic beverage inventories;

6 (2) sales tax on alcoholic beverage sales; a sales tax may be imposed

7 on alcoholic beverages even if other sales are not taxed, or, if other sales are

8 taxed, a sales tax on alcoholic beverages may be equal to, higher than, or lower

9 than a sales tax [IF SALES TAXES ARE] imposed on other sales within the
10 municipality; and

11 (3) [SALES TAX ON ALCOHOLIC BEVERAGE SALES THAT
12 WAS IN EFFECT BEFORE JULY 1, 1985; AND

13 (4)] sales and use tax on alcoholic beverages if the sale of alcoholic
14 beverages within the municipality has been prohibited under AS 04.11.491(a)(1), (4),
15 or (5).

1 * **Sec. 2.** AS 29.45.650(a) is amended to read:

2 (a) Except as provided in [AS 04.21.010(c) AND IN] (f) and (h) of this
3 section, a borough may levy and collect a sales tax on sales, rents, and on services
4 provided in the borough. The sales tax may apply to any or all of these sources.
5 Exemptions may be granted by ordinance.

6 * **Sec. 3.** AS 43.60.010(a) is amended to read:

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

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

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

18 (3) wine or other beverages, **other than beverages described in (1) or**
19 **(2) of this subsection,** of 21 percent alcohol by volume or less, at the rate of **\$3.41**
20 [85 CENTS] a gallon or fraction of a gallon; and

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

23 * **Sec. 4.** AS 43.60.010 is amended by adding a new subsection to read:

24 (c) A brewer shall pay a tax at the rate of 35 cents a gallon on sales of the first
25 60,000 barrels of beer sold in the state each fiscal year beginning July 1, 2002, for beer
26 produced in the United States if the producing brewery meets the qualifications of 26
27 U.S.C. 5051(a)(2). To qualify for the tax rate under this subsection, the brewer must
28 file with the department a copy of a Bureau of Alcohol, Tobacco and Firearms
29 acknowledged copy of the brewer's Notice of Brewer to Pay Reduced Rate of Tax
30 required under 27 C.F.R. 25.167 for the calendar year in which the fiscal year begins
31 for which the partial exemption is sought. If proof of eligibility is not received by the

1 department before June 1, the tax rate under this subsection does not apply until the
2 first day of the second month after the month the notice is received by the department.
3 For purposes of applying this subsection, a barrel of beer may contain no more than 31
4 gallons.