



LAWS OF ALASKA

2003

Source

CSHB 271(FIN)(efd am)

Chapter No.

AN ACT

Levying and providing for the collection and administration of excise taxes on the rental of passenger and recreational vehicles usable on highways and vehicular ways; and providing for an effective date.

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

THE ACT FOLLOWS ON PAGE 1

AN ACT

1 Levying and providing for the collection and administration of excise taxes on the rental of
2 passenger and recreational vehicles usable on highways and vehicular ways; and providing for
3 an effective date.

4

5 * **Section 1.** AS 43 is amended by adding a new chapter to read:

6

Chapter 52. Vehicle Rental Taxes.

7

Sec. 43.52.010. Levy of passenger vehicle rental tax. There is imposed an
8 excise tax on the charge for the lease or rental of a passenger vehicle in this state if the
9 lease or rental of the passenger vehicle does not exceed a period of 90 consecutive
10 days.

11

Sec. 43.52.020. Rate of passenger vehicle rental tax. The rate of the tax
12 levied in AS 43.52.010 is 10 percent of the total fees and costs charged for the lease or
13 rental of the passenger vehicle.

14

Sec. 43.52.030. Levy of recreational vehicle rental tax. There is imposed an

1 excise tax on the charge for the lease or rental of a recreational vehicle in this state if
2 the lease or rental of the recreational vehicle does not exceed a period of 90
3 consecutive days.

4 **Sec. 43.52.040. Rate of recreational vehicle rental tax.** The rate of the tax
5 levied in AS 43.52.030 is three percent of the total fees and costs charged for the lease
6 or rental of the recreational vehicle.

7 **Sec. 43.52.050. Liability for payment of vehicle rental taxes.** (a) The taxes
8 imposed by this chapter shall be collected and paid to the department

9 (1) by the person who provides the leased or rented vehicle; and

10 (2) in the manner and at the times required by the department by
11 regulation.

12 (b) The tax shall be stated as a separate item on the lease or rental contract or
13 other document invoicing payment.

14 **Sec. 43.52.060. Applicability of the tax.** The provisions of this chapter apply
15 to a passenger or recreational vehicle whether or not the vehicle is registered and
16 licensed in this state.

17 **Sec. 43.52.070. Relationship to municipal levies.** The taxes imposed by this
18 chapter are in addition to taxes that may be imposed on vehicle rentals by a
19 municipality under AS 29.45.

20 **Sec. 43.52.080. Administration of tax.** (a) The department shall administer
21 the taxes imposed by this chapter and may adopt necessary regulations.

22 (b) The proceeds of the vehicle rental taxes imposed by this chapter shall be
23 deposited into a special vehicle rental tax account in the general fund.

24 (c) The legislature may appropriate the actual balance of the vehicle rental tax
25 account for tourism development and marketing. This section is not intended to create
26 a dedicated fund.

27 **Sec. 43.52.090. Exemption.** The tax imposed in this chapter does not apply
28 to leases or rentals for official use to federal, state, or local government agencies or
29 employees.

30 **Sec. 43.52.099. Definitions.** In this chapter,

31 (1) "fees and costs" means all charges incurred by the renter before the

1 tax imposed under this chapter except

2 (A) fees from the sale of automobile liability insurance, loss
3 damage waiver insurance, and personal accident insurance;

4 (B) parking tickets;

5 (C) sales or excise taxes;

6 (D) payment for damages to the vehicle during the rental
7 period; and

8 (E) concession fees paid to an airport;

9 (2) "passenger vehicle" means a motor vehicle as defined in
10 AS 28.40.100 that is driven or moved on a highway or other public right-of-way in the
11 state, but does not include

12 (A) a commercial motor vehicle as that term is defined in
13 AS 28.40.100;

14 (B) emergency or fire equipment that is necessary to the
15 preservation of life or property;

16 (C) a farm vehicle that is controlled and operated by a farmer,
17 used to transport agricultural products, farm machinery, or farm supplies to or
18 from that farmer's farm, not used in the operations of a common or contract
19 motor carrier, and used within 150 miles of the farmer's farm; or

20 (D) a recreational vehicle;

21 (3) "recreational vehicle" means

22 (A) a motor vehicle or trailer for recreational dwelling
23 purposes;

24 (B) a motor home or other vehicle with a motor home body
25 style;

26 (C) a one-piece camper vehicle; and

27 (D) any other self-propelled vehicle with living quarters;

28 (4) "tax" means the excise tax levied under this chapter on the charge
29 made for the rental of a passenger or recreational vehicle;

30 (5) "vehicle" means a device in, upon, or by which a person or
31 property may be transported or drawn upon or immediately over a highway or

1 vehicular way or area; "vehicle" does not include

2 (A) devices used exclusively upon stationary rails or tracks;

3 (B) mobile homes; or

4 (C) watercraft.

5 * **Sec. 2.** The uncodified law of the State of Alaska is amended by adding a new section to
6 read:

7 TRANSITIONAL PROVISIONS: REGULATIONS. Notwithstanding sec. 4 of this
8 Act, the Department of Revenue may proceed to adopt regulations necessary to implement
9 this Act. The regulations take effect under AS 44.62 (Administrative Procedure Act), but not
10 before the effective date set out in sec. 4 of this Act.

11 * **Sec. 3.** Section 2 of this Act takes effect immediately under AS 01.10.070(c).

12 * **Sec. 4.** Except as provided in sec. 3 of this Act, this Act takes effect January 1, 2004.