

HOUSE BILL NO. 35

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-THIRD LEGISLATURE - FIRST SESSION

BY REPRESENTATIVES STEVENS, Whitaker

Introduced: 1/21/03

Referred: Labor and Commerce, Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to a reduction in the state alcoholic beverage tax for certain small**
2 **domestic wine producers."**

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

11 (1) malt beverages at the rate of \$1.07 a gallon or fraction of a gallon;

12 (2) cider with at least 0.5 percent alcohol by volume but not more than
13 seven percent alcohol by volume, at the rate of \$1.07 a gallon or fraction of a gallon;

14 (3) wine or other beverages, other than beverages described in (1) or

1 (2) of this subsection, of 21 percent alcohol by volume or less, at the rate of \$2.50 a
2 gallon or fraction of a gallon; and

3 (4) other beverages having a content of more than 21 percent alcohol
4 by volume at the rate of \$12.80 a gallon.

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

6 (d) The amount of tax levied under (a)(3) of this section is reduced for a small
7 domestic wine producer that is allowed a tax credit under 26 U.S.C. 5041(c). The
8 amount of the reduction equals the amount of the credit that the producer is allowed
9 under 26 U.S.C. 5041(c). To qualify for the tax rate reduction under this subsection, a
10 wine producer must file with the department an application for the reduced rate and
11 proof of the credit that is allowed to the producer under 26 U.S.C. 5041(c). The
12 department may establish by regulation additional requirements for applying for the
13 reduced rate.