

**CS FOR HOUSE BILL NO. 271(FIN)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-THIRD LEGISLATURE - FIRST SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered: 5/7/03

Referred: Rules

Sponsor(s): REPRESENTATIVE KOTT

**A BILL**

**FOR AN ACT ENTITLED**

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

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

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

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

10 \* **Sec. 4.** Except as provided in sec. 3 of this Act, this Act takes effect July 1, 2003.