

AMENDMENT #3

OFFERED IN THE HOUSE

BY REPRESENTATIVE GATTO

TO: HCS SB 174(FIN)

1 Page 1, line 3, following "tax;":

2 Insert "relating to taxes regarding certain commercial passenger vessels operating  
3 in the state;"

4

5 Page 2, line 14:

6 Delete all material and insert:

7 "\* Sec. 2. AS 43.52 is amended by adding new sections to read:

8 **Article 2. Excise Tax on Passengers Traveling Aboard**  
9 **a Commercial Passenger Vessel.**

10 **Sec. 43.52.100. Levy of excise tax on passengers traveling aboard a**  
11 **commercial passenger vessel.** There is imposed an excise tax on passengers  
12 traveling in the marine waters of the state aboard a commercial passenger vessel that  
13 provides overnight accommodations.

14 **Sec. 43.52.110. Rate of tax.** The tax imposed by AS 43.52.100 - 43.52.199 is  
15 levied at a rate to be determined each calendar year by the department based on actual  
16 costs of services to commercial passenger vessels; the rate may not exceed \$50 a  
17 passenger a voyage.

18 **Sec. 43.52.120. Liability for payment of tax.** (a) A passenger traveling in  
19 the marine waters of the state aboard a commercial passenger vessel that provides  
20 overnight accommodations is liable for the tax imposed by AS 43.52.100 - 43.52.199.

21 The tax

22 (1) shall be collected by the person who provides the travel to the  
23 passenger; and

1 (2) is due and payable to the department

2 (A) by the person who provides the travel to the passenger,  
3 regardless of whether the person actually collects the tax from the passenger;  
4 and

5 (B) in the manner and at the times required by the department  
6 by regulation.

7 (b) A passenger is not liable for the tax under AS 43.52.100 - 43.52.199 if that  
8 passenger was liable for the tax within the preceding 30 days.

9 (c) A person who provides travel for a passenger who, under (b) of this  
10 section, would not be liable for the tax under AS 43.52.100 - 43.52.199 is not required  
11 to collect and pay the tax to the department if the person reasonably believes that the  
12 passenger is not liable for the tax under (b) of this section.

13 **Sec. 43.52.130. Disposition of proceeds.** (a) The proceeds from the tax  
14 imposed by AS 43.52.100 - 43.52.199 shall be deposited in a special commercial  
15 vessel passenger tax account in the general fund. The legislature may appropriate  
16 money from the account for the purposes described in (b) and (c) of this section, for  
17 state-owned port and harbor facilities, for other services to properly provide for vessel  
18 or watercraft visits, to enhance the safety and efficiency of interstate and foreign  
19 commerce, and for other lawful purposes as determined by the legislature.

20 (b) For each sailing of a commercial passenger vessel providing overnight  
21 accommodations, the commissioner shall identify the first five ports of call in the state  
22 and the number of passengers on board the vessel at each port of call. Subject to  
23 appropriation by the legislature, the commissioner shall distribute to each port of call  
24 10 percent of the tax revenue collected under AS 43.52.100 - 43.52.199 from each  
25 passenger visiting that port. If the port of call is a city located within a borough that is  
26 not unified with the borough, the commissioner shall, subject to appropriation by the  
27 legislature, distribute five percent for each passenger to the city and five percent to the  
28 borough. Each port of call receiving funds under this section shall use the funds  
29 received in a manner calculated to improve port and harbor facilities, for other  
30 services to properly provide for vessel or watercraft visits, and to enhance the safety  
31 and efficiency of interstate and foreign commerce.

1 (c) Within the special commercial vessel passenger tax account established in  
 2 (a) of this section, a regional cruise ship impact subaccount is established. The  
 3 subaccount consists of 25 percent of the proceeds from the tax on travel aboard  
 4 commercial passenger vessels providing overnight accommodations in the marine  
 5 waters of the state. Subject to appropriation by the legislature and regulations adopted  
 6 by the department, the commissioner shall distribute funds from this subaccount to  
 7 municipalities or other governmental entities within the Prince William Sound region,  
 8 Southeast Alaska, or any other distinctive region affected by cruise-ship-related  
 9 tourism activities but not entitled to receive funds based on port-of-call visitation as  
 10 allowed by (b) of this section. The commissioner shall make the distribution  
 11 authorized by the subsection only if the funds are used by the recipient to provide  
 12 services and infrastructure directly related to passenger vessel or watercraft visits or to  
 13 enhance the safety and efficiency of interstate and foreign commerce related to vessel  
 14 or watercraft activities.

15 **Sec. 43.52.140. Administration.** (a) The department shall

16 (1) administer AS 43.52.100 - 43.52.199; and

17 (2) collect, and supervise and enforce the collection of, taxes due under  
 18 AS 43.52.100 - 43.52.199 and penalties as provided in AS 43.05.

19 (b) The department may adopt regulations to carry out the purposes of  
 20 AS 43.52.100 - 43.52.199.

21 **Sec. 43.52.199. Definitions.** In AS 43.52.100 - 43.52.199, unless the context  
 22 otherwise requires,

23 (1) "commercial passenger vessel" means a vessel that is used in the  
 24 common carriage of passengers in commerce; "commercial passenger vessel" does not  
 25 include a

26 (A) vessel with an overnight accommodation capacity for fewer  
 27 than 36 passengers;

28 (B) noncommercial vessel or a vessel operated by the state, the  
 29 United States, or a foreign government; or

30 (C) vessel licensed under AS 16.05.490 and used in charter  
 31 service for the recreational taking of fish and shellfish;

1                   (2) "marine waters of the state" means the marine bays, sounds, rivers,  
2 inlets, straits, passages, canals, Pacific Ocean, Gulf of Alaska, Bering Sea, and Arctic  
3 Ocean within the territorial limits of the state, and all other bodies of marine water that  
4 are wholly or partially within the state or are under the jurisdiction of the state;

5                   (3) "passenger" means a person with whom a common carrier has  
6 contracted for carriage from one place to another.

7    \* **Sec. 3.** The uncodified law of the State of Alaska is amended by adding a new section to  
8 read:

9                   TRANSITION: REGULATIONS. The Department of Revenue may proceed to adopt  
10 regulations to implement sec. 2 of this Act. The regulations take effect under AS 44.62  
11 (Administrative Procedure Act), but not before the effective date of sec. 2 of this Act.

12    \* **Sec. 4.** The uncodified law of the State of Alaska is amended by adding a new section to  
13 read:

14                   REVISOR'S INSTRUCTION: The revisor of statutes shall substitute "AS 43.52.010 -  
15 43.52.099" for "this chapter" wherever "this chapter" occurs in AS 43.52.010 - 43.52.099.

16    \* **Sec. 5.** Sections 1 and 3 of this Act take effect immediately under AS 01.10.070(c).

17    \* **Sec. 6.** Except as provided in sec. 5, this Act takes effect January 1, 2006."