

**HOUSE BILL NO. 443**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FOURTH LEGISLATURE - SECOND SESSION

BY REPRESENTATIVE ELKINS BY REQUEST

Introduced: 2/13/06

Referred: Community and Regional Affairs, Labor and Commerce

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act relating to municipal taxation of tobacco products; and providing for an**  
2 **effective date."**

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

4 \* **Section 1.** AS 29.10.200 is amended by adding a new paragraph to read:

5 (64) AS 29.45.820 (taxation of tobacco products).

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

7 (a) Except as provided in AS 04.21.010(c), AS 29.45.750, 29.45.820, and in  
8 (f), (h), (i), and (j) of this section, a borough may levy and collect a sales tax on sales,  
9 rents, and on services provided in the borough. The sales tax may apply to any or all  
10 of these sources. Notwithstanding other statutes, exemptions may be granted by  
11 ordinance. A borough may wholly or partially exempt a source from a borough sales  
12 tax that is taxed by a city in that borough under AS 29.45.700.

13 \* **Sec. 3.** AS 29.45 is amended by adding a new section to read:

14 **Sec. 29.45.820. Taxation of tobacco products.** (a) A municipality may not

1 impose taxes on tobacco products except a sales tax on or applicable to tobacco  
2 products sales that was in effect before July 1, 2005. The amount of a sales tax on or  
3 applicable to tobacco products may not exceed the amount in effect on June 30, 2005.  
4 For purposes of this subsection, "tobacco products" has the meaning given in  
5 AS 43.50.390.

6 (b) This section applies to home rule and general law municipalities.

7 \* **Sec. 4.** Section 4, ch. 100, SLA 2002, as amended by sec. 9, ch. 117, SLA 2003, and by  
8 sec. 2, ch. 30, SLA 2005, is repealed and reenacted to read:

9 Sec. 4. AS 29.45.650(a) is amended to read:

10 (a) Except as provided in AS 04.21.010(c), AS 29.45.820 [AS 29.45.750,  
11 29.45.820], and in (f), (h), (i), and (j) of this section, a borough may levy and collect a  
12 sales tax on sales, rents, and on services provided in the borough. The sales tax may  
13 apply to any or all of these sources. Notwithstanding other statutes, exemptions may  
14 be granted by ordinance. A borough may wholly or partially exempt a source from a  
15 borough sales tax that is taxed by a city in that borough under AS 29.45.700.

16 \* **Sec. 5.** This Act takes effect January 1, 2007.