

SENATE BILL NO. 214

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SEVENTH LEGISLATURE - SECOND SESSION

BY SENATOR OLSON

Introduced: 2/21/12

Referred: Community and Regional Affairs, Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to a credit for certain municipal taxes or payments in lieu of taxes paid**
2 **on mining against the mining license tax and to a refund for those taxes and payments;**
3 **and relating to the accounting for money received by the state from the mining license**
4 **tax and the availability of a portion of that money for appropriation to certain boroughs**
5 **and municipalities that are not boroughs."**

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

7 *** Section 1.** AS 43.65.010 is amended by adding new subsections to read:

8 (j) A tax on mining activity paid to a municipality under AS 29.45 on or
9 before June 30 of the tax year shall be credited against the tax levied under (c) of this
10 section for that tax year. If, however, a tax is not paid to a municipality until after a
11 return is made under AS 43.65.020(b), the department, on application, shall refund to
12 the taxpayer the amount of tax paid on mining activity to the municipality under
13 AS 29.45. The credit or refund of taxes paid to a municipality may not exceed the total

1 amount of tax levied by the department against the taxpayer for the tax year under this
2 section. In this subsection, a tax paid to a municipality includes a payment in lieu of a
3 tax on mining activity.

4 (k) Proceeds from the tax imposed under this chapter shall be deposited into
5 the general fund and separately accounted for under AS 37.05.142.

6 (l) Upon request

7 (1) by the commissioner of commerce, community, and economic
8 development, the legislature may appropriate not more than 33 percent of the proceeds
9 from the tax that are separately accounted for under (k) of this section to boroughs in
10 which there is mining subject to the tax imposed under this chapter; and

11 (2) by the commissioner of commerce, community, and economic
12 development or the commissioner of natural resources, the legislature may appropriate
13 a total of not more than 33 percent of the proceeds from the tax that are separately
14 accounted for under (k) of this section to municipalities that are not boroughs and that
15 are affected by mining subject to tax under this chapter; the criteria for determining
16 whether a municipality is affected by mining for the purposes of this paragraph shall
17 be established in a regulation adopted by the commissioner of commerce, community,
18 and economic development.

19 (m) Nothing in (l) of this section creates a dedicated fund or limits the
20 authority of a department to request funds or the authority of the legislature to
21 appropriate funds.