

**CS FOR SENATE BILL NO. 178(TRA)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-EIGHTH LEGISLATURE - SECOND SESSION

**BY THE SENATE TRANSPORTATION COMMITTEE**

**Offered: 3/21/14**

**Referred: Finance**

**Sponsor(s): SENATORS BISHOP, Micciche, Giessel, Dyson**

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act relating to the passenger and recreational vehicle rental taxes; and providing**  
2 **for an effective date."**

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

4 **\* Section 1.** AS 43.52.010 is amended to read:

5 **Sec. 43.52.010. Levy of passenger and recreational vehicle rental tax.** There  
6 is imposed an excise tax on the charge for the lease or rental of a passenger **or**  
7 **recreational** vehicle in this state [IF THE LEASE OR RENTAL OF THE  
8 PASSENGER VEHICLE DOES NOT EXCEED A PERIOD OF 90 CONSECUTIVE  
9 DAYS].

10 **\* Sec. 2.** AS 43.52.010 is amended by adding new subsections to read:

11 (b) A lease or rental is exempt from the tax imposed under (a) of this section if  
12 (1) the initial lease or rental contract is for a period of 30 days or more;  
13 (2) the initial lease or rental contract is in writing; and  
14 (3) the lease or rental contract is not terminated before the expiration

1 of 30 days.

2 (c) An extension of a lease or rental that is exempt under (b) of this section is  
3 exempt if the extension is agreed upon before the expiration of the initial 30-day lease  
4 or rental period and there is no break between the initial period and the period of the  
5 extension.

6 \* **Sec. 3.** AS 43.52.020 is amended to read:

7 **Sec. 43.52.020. Rate of [PASSENGER] vehicle rental tax.** The rate of the  
8 tax levied in AS 43.52.010 is

9 (1) 10 percent of the total fees and costs charged for the lease or rental  
10 of a [THE] passenger vehicle;

11 (2) three percent of the total fees and costs charged for the lease or  
12 rental of a recreational vehicle.

13 \* **Sec. 4.** AS 43.52.099(2) is amended to read:

14 (2) "passenger vehicle" means a motor vehicle as defined in  
15 AS 28.90.990 that is driven or moved on a highway or other public right-of-way in the  
16 state, and is rented or leased for the primary purpose of transporting passengers  
17 but does not include

18 (A) a commercial motor vehicle as that term is defined in  
19 AS 28.90.990;

20 (B) emergency or fire equipment that is necessary to the  
21 preservation of life or property;

22 (C) a farm vehicle that is controlled and operated by a farmer,  
23 used to transport agricultural products, farm machinery, or farm supplies to or  
24 from that farmer's farm, not used in the operations of a common or contract  
25 motor carrier, and used within 150 miles of the farmer's farm;

26 (D) a recreational vehicle;

27 (E) a taxicab;

28 (F) [A RENTAL TRUCK; IN THIS SUBPARAGRAPH,  
29 "RENTAL TRUCK" MEANS] a motor vehicle with a gross vehicle weight  
30 rating greater than 6,500 [8,500] pounds [THAT IS DESIGNED, USED, OR  
31 MAINTAINED PRIMARILY FOR THE TRANSPORTATION OF

1                   PERSONAL PROPERTY];

2                                 (G) a vehicle provided by an automobile dealer to a customer  
3                   as replacement transportation during warranty, recall, or service contract  
4                   repairs if the dealer does not receive compensation from the customer; or

5                                 (H) a motorcycle or a motor-driven cycle as those terms are  
6                   defined in AS 28.90.990;

7       \* **Sec. 5.** AS 43.52.030 and 43.52.040 are repealed.

8       \* **Sec. 6.** This Act takes effect immediately under AS 01.10.070(c).