

HOUSE BILL NO. 4003

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-NINTH LEGISLATURE - FOURTH SPECIAL SESSION

BY THE HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

Introduced: 5/27/16

Referred: Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to the motor fuel tax; and providing for an effective date."**

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

3 * **Section 1.** AS 43.40.010(a) is amended to read:

4 (a) In addition to the surcharge levied under AS 43.40.005, there is levied a
5 tax of 16 [EIGHT] cents a gallon on all motor fuel sold or otherwise transferred within
6 the state, except that

7 (1) the tax on aviation gasoline is seven [FOUR AND SEVEN-
8 TENTHS] cents a gallon;

9 (2) the tax on motor fuel used in and on watercraft of all descriptions is
10 10 [FIVE] cents a gallon;

11 (3) the tax on all aviation fuel other than gasoline is six and one-half
12 [THREE AND TWO-TENTHS] cents a gallon; and

13 (4) the tax rate on motor fuel that is blended with alcohol is the same
14 tax rate a gallon as other motor fuel; however, in an area and during the months in
15 which fuel containing alcohol is required to be sold, transferred, or used in an effort to

1 attain air quality standards for carbon monoxide as required by federal or state law or
2 regulation, the tax rate on motor fuel that is blended with alcohol is six cents a gallon
3 less than the tax on other motor fuel not described in (1) - (3) of this subsection.

4 * **Sec. 2.** AS 43.40.010(b) is amended to read:

5 (b) In addition to the surcharge levied under AS 43.40.005, there is levied a
6 tax of 16 [EIGHT] cents a gallon on all motor fuel consumed by a user, except that

7 (1) the tax on aviation gasoline consumed is seven [FOUR AND
8 SEVEN-TENTHS] cents a gallon;

9 (2) the tax on motor fuel used in and on watercraft of all descriptions is
10 10 [FIVE] cents a gallon;

11 (3) the tax on all aviation fuel other than gasoline is six and one-half
12 [THREE AND TWO-TENTHS] cents a gallon; and

13 (4) the tax rate on motor fuel that is blended with alcohol is the same
14 tax rate a gallon as other motor fuel; however, in an area and during the months in
15 which fuel containing alcohol is required to be sold, transferred, or used in an effort to
16 attain air quality standards for carbon monoxide as required by federal or state law or
17 regulation, the tax rate on motor fuel that is blended with alcohol is six cents a gallon
18 less than the tax on other motor fuel not described in (1) - (3) of this subsection.

19 * **Sec. 3.** AS 43.40.030(a) is amended to read:

20 (a) Except as specified in AS 43.40.010(j), a person who uses motor fuel to
21 operate an internal combustion engine is entitled to a motor fuel tax refund of 12 [SIX]
22 cents a gallon if

23 (1) the tax on the motor fuel has been paid;

24 (2) the motor fuel is not aviation fuel, or motor fuel used in or on
25 watercraft; and

26 (3) the internal combustion engine is not used in or in conjunction with
27 a motor vehicle licensed to be operated on public ways.

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

30 APPLICABILITY. (a) AS 43.40.010(a), as amended by sec. 1 of this Act, applies to
31 motor fuel sold or transferred in the state on or after the effective date of sec. 1 of this Act.

1 (b) AS 43.40.010(b), as amended by sec. 2 of this Act, applies to motor fuel
2 consumed by a user on or after the effective date of sec. 2 of this Act.

3 (c) AS 43.40.030(a), as amended by sec. 3 of this Act, applies to a motor fuel tax
4 refund on motor fuel used on or after the effective date of sec. 3 of this Act.

5 * **Sec. 5.** The uncodified law of the State of Alaska is amended by adding a new section to
6 read:

7 **TRANSITION: REGULATIONS.** (a) The Department of Revenue may adopt
8 regulations necessary to implement the changes made by this Act. The regulations take effect
9 under AS 44.62 (Administrative Procedure Act), but not before the effective date of the law
10 implemented by the regulation.

11 * **Sec. 6.** Sec. 5 of this Act takes effect immediately under AS 01.10.070(c).

12 * **Sec. 7.** Except as provided in sec. 6 of this Act, this Act takes effect July 1, 2016.