

HOUSE BILL NO. 268

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FOURTH LEGISLATURE - SECOND SESSION

BY THE HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

Introduced: 1/23/26

Referred: Labor and Commerce, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the taxation of electric cooperatives; relating to the taxation of
2 electricity generation and electricity storage facilities; and providing for an effective
3 date."

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

5 * **Section 1.** AS 10.25.540 is amended by adding a new subsection to read:

6 (c) An electric cooperative is not subject to state and local ad valorem,
7 income, and excise taxes.

8 * **Sec. 2.** AS 10.25.570 is amended to read:

9 **Sec. 10.25.570. Refund to local governments.** The proceeds of the telephone
10 cooperative gross revenue tax [AND THE ELECTRIC COOPERATIVE TAX], less
11 the amount expended by the state in collecting the tax [THEIR COLLECTION], shall
12 be refunded to an organized borough or a city of any class incorporated under state
13 law, in the proportion that the revenue was earned within the city or the borough area
14 outside the city. However, taxes collected on gross revenue earned by a telephone

1 cooperative [OR ON THE SALE OF ELECTRICITY BY AN ELECTRIC
2 COOPERATIVE] outside a city or organized borough shall be retained by the state
3 and deposited into its general fund.

4 * **Sec. 3.** AS 42.45.310(f) is amended to read:

5 (f) Bonds and other obligations issued by the agency and all interest and
6 income from them and all fees, charges, funds, revenue, income, and other money
7 pledged or available to pay or secure the payment of the bonds or obligations or
8 interest on them are exempt from taxation. The real and personal property of the
9 agency and the assets, income, and receipts of the agency are exempt from all taxes
10 and special assessments of the state or a political subdivision of the state [, EXCEPT
11 THAT ELECTRICITY SOLD AT RETAIL BY AN AGENCY IS SUBJECT TO THE
12 ELECTRIC COOPERATIVE TAX (AS 10.25.540 - 10.25.570)].

13 * **Sec. 4.** AS 43.98.100(a) is amended to read:

14 (a) An electricity generation facility or electricity storage facility that is
15 constructed and placed into service on or after July 1, 2024, is not subject to state and
16 local ad valorem, income, and excise taxes if the [ELECTRICITY GENERATION]
17 facility is

18 (1) operated by a public utility or joint action agency established under
19 AS 42.45.310; or

20 (2) operated by an entity other than a public utility and provides power
21 (A) only to a public utility; or
22 (B) to an end user who was not receiving electric service
23 from a public utility on July 1, 2026.

24 * **Sec. 5.** AS 10.25.540(b)(2), 10.25.555, and 10.25.580 are repealed.

25 * **Sec. 6.** This Act takes effect July 1, 2026.