

1 IN THE HOUSE

BY JUDICIARY COMMITTEE

2 SECOND COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 11

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIRST LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act pertaining to consumers' sales  
7 taxes levied by cities of the first class,  
8 Independent School Districts and Incorporated  
9 School Districts; amending subsection Ninth  
10 (b) of Sec. 16-1-35, ACLA 1949 as amended by  
11 Ch. 38, SLA 1949, Ch. 121, SLA 1953 and Ch.  
12 151, SLA 1957; amending Sec. 1, B of Ch. 124,  
13 SLA 1953; adding a new section; and provid-  
14 ing for an effective date."

15 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

16 Section 1. Subsection Ninth (b) of Sec. 16-1-35, ACLA 1949  
17 as amended by Ch. 38, SLA 1949, Ch. 121, SLA 1953 and Ch. 151,  
18 SLA 1957, is hereby amended to read as follows:

19 (b) CONSUMER'S SALES TAX. To levy and collect a con-  
20 sumer's sales tax not exceeding three percentum of the sales  
21 price on all retail sales, on all transient rents, and on all  
22 services, made within the municipality, and such consumer's  
23 sales tax may be levied and collected at the option of the  
24 council on any one or more of the three preceding tax sources;  
25 provided however, no consumers sales tax shall be levied or  
26 collected on sales or services made or performed by physicians,  
27 surgeons, osteopaths, chiropractors, physiotherapists, dentists,  
28 prescriptions and or appliances prescribed by any of the fore-  
29 going, nurses, hospitals, nursing homes, attorneys, notaries

1           public, mortuary fees or ministers. /PROVIDED, THAT THE/  
2           Consent of the qualified voters of the municipality  
3           must first be /IS FIRST/ obtained through a referendum vote  
4           at a general or special election upon ballots which clearly  
5           present the proposition as to whether such sales tax shall  
6           be authorized within the municipality. The ballot shall  
7           also set forth whether the tax is to be levied for general  
8           revenue for the municipality or for a special purpose, and,  
9           if for a special purpose, same shall be specified on the  
10          ballot. If a majority of the votes cast in said referendum  
11          are in the affirmative, the council may thereafter enact  
12          such a tax in the nature of a levy upon buyers but with im-  
13          position upon sellers of the obligation of collecting same  
14          at the time of sale or at time of collection with respect to  
15          credit transactions and transmit same to the municipality.  
16          No such sales tax proposition shall be presented to the  
17          voters more than once in any twelve months. The sole purpose  
18          of this subsection is to enable cities, with the consent of  
19          the residents thereof, to impose sales taxes, and that  
20          although such method of taxation be established within a  
21          city, the council may at any time abandon same or may abandon  
22          one or more of the three tax sources listed hereinabove. It  
23          is also the intent that if consent to such tax be obtained  
24          for a special purpose, the proceeds of the tax may not be  
25          used for any other purpose unless with consent of the voters  
26          at another referendum. Provided, however, that any munici-  
27          pality may provide by ordinance for exemption from the tax  
28          levied hereunder if not otherwise expressly prohibited by law.  
29          Sec. 2. Sec. 1, B of Ch. 124, SLA 1953, is hereby amended

1 to read as follows:

2           B. CONSUMER'S SALES TAX. The School Boards in  
3 Independent School Districts or Incorporated School Districts  
4 shall have the power to levy and collect a consumer's sales  
5 tax not exceeding two per centum of the sales price on all  
6 retail sales, on all transient rents and on all services made  
7 within the Independent School District or the Incorporated  
8 School District, and such consumer's sales tax may be levied  
9 and collected at the option of the school board on any one or  
10 more of the three preceding tax sources; provided, that the  
11 consent of the qualified voters of the Independent School  
12 District or Incorporated School District is first obtained  
13 through a referendum vote at a general or special election,  
14 upon ballots which clearly present the proposition as to  
15 whether such sales tax shall be authorized within the  
16 Independent School District or Incorporated School District,  
17 but no such sales tax proposition shall be presented to the  
18 voters more than once in any twelve months. The ballot  
19 shall also set forth whether the tax is to be levied for  
20 general revenue for the Independent School District or the  
21 Incorporated School District or for a special school purpose,  
22 and, if for a special school purpose, same shall be specified  
23 on the ballot. If a majority of the votes cast in said  
24 referendum are in the affirmative, the school board may  
25 thereafter enact such a tax in the nature of a levy upon  
26 buyers but with imposition upon sellers of the obligation of  
27 collecting same at the time of sale or at time of collection  
28 with respect to credit transactions, and transmit same to the  
29 Independent School District or Incorporated School District.

1 The sole purpose of this subsection is to enable Independent  
2 School Districts or Incorporated School Districts, with the  
3 consent of the residents thereof, to impose sales taxes, and  
4 that although such method of taxation be established within  
5 an Independent School District or Incorporated School Dis-  
6 trict, the school board may at any time abandon same or may  
7 abandon one or more of the three tax sources listed herein-  
8 above. It is also the intent that if consent to such tax  
9 be obtained for a special purpose, the proceeds of the tax  
10 may not be used for any other purpose unless with consent  
11 of the voters at another referendum. It is further provided  
12 that no tax shall be levied or imposed hereunder upon either  
13 sales, rents or services made within any incorporated municipi-  
14 pality or school district which is a part of any independent  
15 school district where such incorporated municipality levies  
16 a consumer's sales tax upon the sales price of either or  
17 both retail sales, transient rents and services made within  
18 it.

19 Sec. 3. Nothing contained in this Act shall prohibit  
20 political subdivisions that are collecting a sales tax on rents  
21 on the date this Act becomes effective to continue to collect the  
22 same.

23 Sec. 4. This Act shall take effect immediately upon its  
24 passage and approval or upon its becoming law without such  
25 approval.  
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