

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 rents, and on all services,
22 made within the municipality, and such consumer's sales tax
23 may be levied and collected at the option of the council on
24 any one or more of the three preceding tax sources. ~~PROVID-~~
25 ED, THAT ~~THE~~ Consent of the qualified voters of the
26 municipality must first be ~~IS FIRST~~ obtained through a
27 referendum vote at a general or special election upon ballots
28 which clearly present the proposition as to whether such sales
29 tax shall be authorized within the municipality. The ballot

1 shall also set forth whether the tax is to be levied for
2 general revenue for the municipality or for a special purpose
3 and, if for a special purpose, same shall be specified on the
4 ballot. If a majority of the votes cast in said referendum
5 are in the affirmative, the council may thereafter enact such
6 a tax in the nature of a levy upon buyers but with imposition
7 upon sellers of the obligation of collecting same at the time
8 of sale or at time of collection with respect to credit trans-
9 actions and transmit same to the municipality. No such sales
10 tax proposition shall be presented to the voters more than
11 once in any twelve months. The sole purpose of this subsec-
12 tion is to enable cities, with the consent of the residents
13 thereof, to impose sales taxes, and that although such method
14 of taxation be established within a city, the council may at
15 any time abandon same or may abandon one or more of the three
16 tax sources listed hereinabove. It is also the intent that
17 if consent to such tax be obtained for a special purpose, the
18 proceeds of the tax may not be used for any other purpose un-
19 less with consent of the voters at another referendum. Pro-
20 vided, however, that any municipality may provide by ordinance
21 for exemption from the tax levied hereunder if not otherwise
22 expressly prohibited by law.

23 Sec. 2. Sec. 1, B of Ch. 124, SLA 1953, is hereby amended
24 to read as follows:

25 B. CONSUMER'S SALES TAX. The School Boards in Inde-
26 pendent School Districts or Incorporated School Districts
27 shall have the power to levy and collect a consumer's sales
28 tax not exceeding two per centum of the sales price on all
29 retail sales, on all rents and on all services made within

1 the Independent School District or the Incorporated School
2 District, and such consumer's sales tax may be levied and
3 collected at the option of the school board on any one or
4 more of the three preceding tax sources; provided, that the
5 consent of the qualified voters of the Independent School
6 District or Incorporated School District is first obtained
7 through a referendum vote at a general or special election,
8 upon ballots which clearly present the proposition as to
9 whether such sales tax shall be authorized within the
10 Independent School District or Incorporated School District,
11 but no such sales tax proposition shall be presented to the
12 voters more than once in any twelve months. The ballot
13 shall also set forth whether the tax is to be levied for
14 general revenue for the Independent School District or the
15 Incorporated School District or for a special school purpose,
16 and, if for a special school purpose, same shall be specified
17 on the ballot. If a majority of the votes cast in said
18 referendum are in the affirmative, the school board may
19 thereafter enact such a tax in the nature of a levy upon
20 buyers but with imposition upon sellers of the obligation of
21 collecting same at the time of sale or at time of collection
22 with respect to credit transactions, and transmit same to the
23 Independent School District or Incorporated School District.
24 The sole purpose of this subsection is to enable Independent
25 School Districts or Incorporated School Districts, with the
26 consent of the residents thereof, to impose sales taxes, and
27 that although such method of taxation be established within
28 an Independent School District or Incorporated School Dis-
29 trict, the school board may at any time abandon same or may

1 abandon one or more of the three tax sources listed herein-
2 above. It is also the intent that if consent to such tax
3 be obtained for a special purpose, the proceeds of the tax
4 may not be used for any other purpose unless with consent
5 of the voters at another referendum. It is further provided
6 that no tax shall be levied or imposed hereunder upon either
7 sales, rents or services made within any incorporated munic-
8 ipality or school district which is a part of any independent
9 school district where such incorporated municipality levies
10 a consumer's sales tax upon the sales price of either or
11 both retail sales, rents and services made within it.

12 Sec. 3. Nothing contained in this Act shall prohibit
13 political subdivisions that are collecting a sales tax on rents
14 on the date this Act becomes effective to continue to collect the
15 same.

16 Sec. 4. This Act shall take effect immediately upon its
17 passage and approval or upon its becoming law without such
18 approval.