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IN THE SENATE

BY JUDICIARY COMMITTEE

SENATE BILL NO. 120

IN THE LEGISLATURE OF THE STATE OF ALASKA

FIRST LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act pertaining to consumers' sales taxes levied by cities of the first class, independent and incorporated school districts; amending subsection Ninth (b) of Sec. 16-1-35, ACLA 1949 as amended; amending Sec. 1, B of Ch. 124, SLA 1953, as amended; providing for penalties and interest on delinquent taxes; and providing for an effective date."

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

Section 1. Subsection Ninth (b) of Sec. 16-1-35, ACLA 1949, as amended, is hereby amended to read as follows:

(b) CONSUMER'S SALES TAX. To levy and collect a consumer's sales tax not exceeding three percentum of the sales price on all retail sales, on all rents, and on all services, made within the municipality, and such consumer's sales tax may be levied and collected at the option of the council on any one or more of the three preceding tax sources. Consent of the qualified voters of the municipality must first be obtained through a referendum vote at a general or special election upon ballots which clearly present the proposition as to whether such sales tax shall be authorized within the municipality. The ballot shall also set forth whether the tax is to be levied for general revenue for the municipality

1 or for a special purpose and, if for a special purpose, same
2 shall be specified on the ballot. If a majority of the votes
3 cast in said referendum are in the affirmative, the council
4 may thereafter enact such a tax in the nature of a levy upon
5 buyers but with imposition upon sellers of the obligation of
6 collecting same at the time of sale or at time of collection
7 with respect to credit transactions and transmit same to the
8 municipality. No such sales tax proposition shall be present-
9 ted to the voters more than once in any twelve months. The
10 sole purpose of this subsection is to enable cities, with
11 the consent of the residents thereof, to impose sales taxes,
12 and that although such method of taxation be established
13 within a city, the council may at any time abandon same or
14 may abandon one or more of the three tax sources listed
15 hereinabove. It is also the intent that if consent to such
16 tax be obtained for a special purpose, the proceeds of the
17 tax may not be used for any other purpose, unless with
18 consent of the voters at another referendum. Provided,
19 however, that any municipality may provide by ordinance for
20 exemption from the tax levied hereunder if not otherwise
21 expressly prohibited by law § 7, for fixing the dates for
22 reporting and paying such tax, for the assessment and
23 collection of penalties for non-payment of such tax when due,
24 not to exceed five (5) percentum per month and a maximum
25 penalty of fifteen (15) percentum of such tax, and interest
26 at a rate of not to exceed twelve (12) percentum per annum
27 of the delinquent tax, and for the promulgation of reasonable
28 rules and regulations to provide for the assessment, levy and
29 collection of such tax.

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

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

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Independent School District or Incorporated School District. The sole purpose of this subsection is to enable Independent School Districts or Incorporated School Districts, with the consent of the residents thereof, to impose sales taxes, and that although such method of taxation be established within an Independent School District or Incorporated School District, the school board may at any time abandon same or may abandon one or more of the three tax sources listed hereinabove. It is also the intent that if consent to such tax be obtained for a special purpose, the proceeds of the tax may not be used for any other purpose unless with consent of the voters at another referendum. It is further provided that no tax shall be levied or imposed hereunder upon either sales, rents or services made within any incorporated municipality or school district which is a part of any independent school district where such incorporated municipality levies a consumer's sales tax upon the sales price of either or both retail sales, rents and services made within it. Any incorporated or independent school district may provide by ordinance for exemption from the tax levied hereunder if not otherwise expressly prohibited by law, for fixing the dates for reporting and paying such tax, for the assessment and collection of penalties for non-payment of such tax when due, not to exceed five (5) percentum per month and a maximum penalty of fifteen (15) percentum of such tax, and interest at a rate of not to exceed twelve (12) percentum per annum of the delinquent tax, and for the promulgation of reasonable rules and regulations to provide for the assessment, levy and collection of such tax.

1 Section 3. This Act shall take effect immediately upon its
2 passage and approval or upon its becoming law without such
3 approval.
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