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IN THE HOUSE BY THE HOUSE JUDICIARY COMMITTEE  
HOUSE CS FOR CS FOR SENATE BILL NO. 140  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
FIRST LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act extending the excise tax on intoxicating liquors to those sold and consigned to military reservations, bases, vessels, and installations; providing for the reinstatement of a credit on excise taxes on such liquors in the event of a substantial diversion of business from Alaska suppliers; amending Sec. 35-4-32, ACLA 1949 as amended; and providing for an effective date."

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

Section 1. DECLARATION OF INTENT. Sales of intoxicating liquors upon or consignments of intoxicating liquors to military reservations, bases, vessels and installations within the State of Alaska impose a burden upon state law enforcement agencies and it is therefore fair that a statewide excise tax be imposed upon such sales or consignments.

Sec. 2. The excise tax imposed on intoxicating liquors in Sec. 35-4-32, ACLA 1949 as amended by Ch. 73, SLA 1957 is expressly extended to cover, and is imposed upon, all intoxicating liquors, and including wines, delivered and sold upon military reservations, bases, vessels, and installations within the State of Alaska.

Sec. 3. Sec. 35-4-32, ACLA 1949 as amended by Ch. 70, SLA 1951, Ch. 79, SLA 1953 and Ch. 42, SLA 1957 is amended to read

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as follows:

Sec. 35-4-32. MONTHLY STATEMENT AS TO LIQUOR SOLD:

MONTHLY PAYMENTS: PENALTY AND INTEREST. Each such brewer, distiller, bottler, jobber, wholesaler, manufacturer or other consignor shall on or before the last day of each calendar month, airmail, postage prepaid, to the Commissioner of Revenue [TERRITORIAL TAX COMMISSIONER] at Juneau, Alaska, a statement containing a true account of the total number of gallons, including fractional gallons, together with the respective names and Alaskan addresses of, and itemized as to the respective gallonage of each such kind of liquor sold to, or consigned to, the respective buyers or any consignees thereof which such brewer, distiller, bottler, jobber, wholesaler, or manufacturer sold or consigned to such buyers or consignees in Alaska during the immediately preceding calendar month, and shall pay monthly to the Commissioner of Revenue [TERRITORIAL TAX COMMISSIONER], all taxes, computed at the forgoing or the then prevailing rates, on the respective total quantities of such respective classes of liquor so sold or consigned to such buyers or consignees during the immediately preceding calendar month. The monthly return shall be filed and the tax paid on or before the last day of each calendar month to cover the immediately preceding calendar month.

Provided, however, that each such brewer, distiller, bottler, jobber, wholesaler, manufacturer or other consignor shall be entitled to a credit for any and all excise taxes paid on all malt beverages [SUCH ALCOHOLIC BEVERAGES] as may have been sold and delivered to any U. S. Government operated vessel for ship stores, ship's service stores, and

1 to any post exchange, officers club, non-commissioned  
2 officers club, or any club maintained for enlisted personnel,  
3 and to any and all other authorized beverage dispensers on  
4 any military, naval, air force or Governmental reservation  
5 within the State [TERRITORY] of Alaska upon furnishing proof  
6 in the form of signed and certified invoices evidencing such  
7 sales to such military, naval, air force or Governmental  
8 liquor dispensary. Upon receipt, by the [TERRITORIAL TAX]  
9 Commissioner of Revenue, of the monthly statement hereinabove  
10 provided for, said Commissioner shall promptly allow credit  
11 to the account of, and issue a notice showing the amount of  
12 credit allowed to, such brewer, distiller, bottler, jobber,  
13 wholesaler, manufacturer or other consignor for that portion  
14 of the excise taxes which shall have been paid on sales of  
15 malt beverages made to any U. S. Government operated vessel  
16 for ships stores, ship's service stores, and to any post  
17 exchange, officers club, non-commissioned officers club or  
18 to any other club maintained for enlisted personnel, and to  
19 any and all authorized military, naval, air force or Govern-  
20 mental dispensaries, as evidenced by properly signed and  
21 certified invoices proving such sales. The amount of credit  
22 allowed on sales made to any U. S. Government vessel for  
23 ship stores, ship's service stores, or to any post exchange,  
24 officers club, or any club maintained for enlisted personnel  
25 and to military, naval, air force or Governmental liquor  
26 dispensaries in the State [TERRITORY] of Alaska shall be  
27 applied only against the excise taxes becoming due the State  
28 [TERRITORY] of Alaska from said brewer, distiller, bottler,  
29 jobber, wholesaler, manufacturer or other consignor because

1 of sales of malt beverages [INTOXICATING LIQUORS] made from  
2 and after the effective date of Chapter 79, Session Laws of  
3 Alaska 1953. In order to obtain the excise tax credit herein  
4 provided for, the claimant shall in making the monthly state-  
5 ment required by law, certify as to the truthfulness of the  
6 invoice and quantities upon which such claim to said credit  
7 is based. Provided, however, that no credit shall be claimed  
8 or allowed on account of sales made to civilian clubs or  
9 stores located on military, naval, air force or Governmental  
10 reservations.

11 In the case of any failure to make and file a return  
12 and remit the tax within the time prescribed by law or pre-  
13 scribed by the [TAX] Commissioner of Revenue in pursuance of  
14 law, unless such failure is due to reasonable cause and not  
15 due to wilful neglect, there shall be added to the tax, 5  
16 per cent if the failure is for not more than 30 days, with  
17 an additional 5 per cent for each additional 30 days or  
18 fraction thereof during which such failure continues, not  
19 exceeding 25% in the aggregate. The amount so added to any  
20 tax shall be collected at the same time and in the same  
21 manner and as a part of the tax unless the tax has been paid  
22 before the discovery of the neglect, in which case the  
23 amount so added should be collected in the same manner as  
24 the tax; Provided, that in all cases of delinquency the legal  
25 rate of interest shall be assessed.

26 The Commissioner of Revenue shall each month review the  
27 statements of the total numbers of gallons of intoxicating  
28 liquors sold to or consigned to buyers and consignees in  
29 Alaska and shall review any other evidence available to him

1 N relating to the quantities of intoxicating liquors sold in  
2 E or consigned to Alaska. If the Commissioner finds that  
3 W these statements and this evidence reflect a substantial  
4 diversion of sales and consignments of intoxicating liquors  
5 sold or consigned to U. S. Government operated vessels for  
6 ship stores, ship's service stores, post exchanges, officers  
7 clubs, non-commissioned officers clubs, clubs maintained for  
8 enlisted personnel, and other authorized beverage dispensers  
9 on military, naval, air force and governmental reservations  
10 from brewers, distillers, bottlers, jobbers, wholesalers,  
11 manufacturers, or other consignors which are subject to  
12 Alaska excise taxes on intoxicating liquors to persons who  
13 are not subject to such Alaska excise taxes, the Commissioner  
14 shall make and file with the Secretary of State a finding  
15 of fact which shall state to the extent that it is feasible  
16 the locations of such diversions and the amount of the  
17 diversions at each such location.

18 Upon the filing of this finding of fact with the Secre-  
19 tary of State each brewer, distiller, bottler, jobber,  
20 wholesaler, manufacturer or other consignor shall be en-  
21 titled to a credit for any and all excise taxes paid on such  
22 intoxicating liquors, other than any credit for malt bev-  
23 erages previously allowed as may have been sold or consigned  
24 M at any time 30 days after the filing of the finding of fact  
25 A to any U. S. Government operated vessel for ship stores,  
26 T ship's service stores, and to any post exchange, non-commis-  
27 T sioned officers club, officers club, or any club maintained  
28 E for enlisted personnel, and to any and all other beverage  
29 R dispensers on any military, naval, air force or govern-

1 N mental reservation within the State of Alaska. The proceed-  
2 E ure for the claiming and granting of any such credits is  
3 W the same as that provided for in this Act for the sale or  
4 consignment of malt beverages, and the claiming of credits  
5 therefor. Provided, however, that no credit shall be  
6 claimed or allowed on account of sales made to civilian  
7 clubs or stores located on military, naval, air force or  
8 governmental reservations.

9           Upon the filing of such finding of fact the Commissioner  
10 shall give notice of the filing to (a) any brewer, distiller,  
11 M bottler, jobber, wholesaler, manufacturer or other consignor  
12 A doing business in Alaska who had claimed a credit for  
13 T liquors sold in or consigned to Alaska during the year 1959,  
14 T (b) to members of the state legislature and (c) to any other  
15 E person or group of persons whom the agency believes to be  
16 R interested in the finding.

17           Sec. 5. This Act takes effect on the day after its passage  
18 and approval or on the day it becomes law without such approval.

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