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IN THE SENATE

BY SENATOR SMITH

SENATE BILL NO. 2

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRD LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act amending the motor fuel tax on fuel used on boats and watercraft."

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

\* Section 1. AS 43.40.010(a) is amended to read:

(a) There is levied a tax of five cents a gallon on all motor fuel sold and delivered, or otherwise transferred, within the state; except that (1) the tax on aviation gasoline is three cents a gallon, (2) the tax on motor fuel used on [IN ENGINES FOR THE PROPULSION OF] boats and watercraft [WATERCRAFTS] of all descriptions is two cents a gallon, and (3) the tax on all aviation fuel other than gasoline is one and one-half cents a gallon.

\* Sec. 2. AS 43.40.010(b) is amended to read:

(b) There is levied a tax of five cents a gallon on all motor fuel consumed by a user, except that (1) the tax on aviation gasoline consumed is three cents a gallon, (2) the tax on motor fuel used on [IN ENGINES FOR THE PROPULSION OF] boats and watercraft of all descriptions is two cents a gallon, and (3) the tax on all aviation fuel other than gasoline is one and one-half cents a gallon.

\* Sec. 3. AS 43.40.030(a)(2) is amended to read:

(2) the motor fuel is not aviation fuel or motor fuel used on [IN AN ENGINE TO PROPEL] a boat or watercraft; and

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\* Sec. 4. AS 43.40.100(2) is amended to read:

(2) "motor fuel" means fuel used in an engine for the propulsion of a motor vehicle, aircraft, or on a boat or watercraft, or in a stationary engine, machine or mechanical contrivance which is propelled by an internal combustion motor; "motor fuel" does not include fuel consigned to a foreign country, fuel used in a stationary power plant operating as a public utility plant generating electrical energy for sale to the general public, or a stationary power plant operated by a nonprofit power association or corporation for generating electrical energy for resale or a stationary power plant operated by a charitable institution;

\* Sec. 5. AS 43.40.120(a) is amended to read:

(a) There is a tax of one cent a gallon on all motor fuel sold and delivered, or transferred, within the state which is used on [TO PROPEL] boats and watercraft.