

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29

IN THE HOUSE BY MR. TILLION

HOUSE BILL NO. 157

IN THE LEGISLATURE OF THE STATE OF ALASKA

FOURTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act providing for a statewide sales tax
and providing for an effective date."

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

* Section 1. AS 43 is amended by adding new sections to read:

CHAPTER 22. STATE SALES TAX.

Sec. 43.22.010. TAX IMPOSED. There is levied and
there shall be collected a statewide sales tax on each re-
tail sale in the state equal to two per cent of the selling
price.

Sec. 43.22.020. EXEMPTIONS. The statewide tax does not
apply to the following sales:

- (1) casual and isolated sales of property or
services;
- (2) sales to the United States government, to
the state, its political subdivisions, and its departments
and agencies;
- (3) sales made to religious, charitable, and
eleemosynary corporations, in the conduct of the regular
religious, charitable, or eleemosynary functions and
activities.

Sec. 43.22.030. PAYMENT AND COLLECTION OF TAX. (a)
The statewide tax imposed by this chapter shall be paid by
the buyer to the seller, and each seller shall collect from
the buyer the full amount of the tax payable in respect to

1 each taxable sale in accordance with the schedule of col-
2 lections adopted by the department.

3 (b) The statewide tax collected is held in trust by
4 the seller until paid to the department. A seller who fails
5 or refuses to collect the statewide tax, or having collected
6 it, fails or refuses to pay it to the department when due
7 with the intent to violate this chapter is guilty of a
8 misdemeanor.

9 (c) A buyer who refuses to pay the statewide tax when
10 due is guilty of a misdemeanor.

11 Sec. 43.22.040. ABSORPTION OF TAX. A seller who
12 advertises, holds out, or promises, directly or indirectly
13 that the statewide tax or any part of it will be assumed or
14 absorbed by the seller or that it will not be added to the
15 selling price of the property sold, or if added, that it or
16 any part of it will be refunded, is guilty of a misdemeanor.

17 Sec. 43.22.050. COLLECTION OF TAX. (a) The depart-
18 ment shall adopt regulations prescribing methods and
19 schedules for the collection of the statewide tax. The
20 methods and schedules shall be devised to eliminate the col-
21 lection of fractions of one cent and to provide that the
22 aggregate collections of the statewide tax by the seller,
23 insofar as practicable, equal the amount of tax imposed by
24 this chapter. The schedules may provide that no statewide
25 tax need be collected from the buyer on sales below a pre-
26 scribed sum and may be amended from time to time to ac-
27 complish the purposes of this chapter.

28 (b) An organized borough or an incorporated city in
29 the unorganized borough may elect to assume the functions of

1 administration and collection of the statewide tax within
2 the borough or city. Upon such election the borough or city
3 shall follow, to the extent applicable, this chapter and the
4 regulations of the department relating to the administration
5 and collection of the statewide tax.

6 Sec. 43.22.060. ADDITIONAL TAX. An organized borough
7 or an incorporated city in the unorganized borough may levy
8 an additional sales tax on the tax sources provided in
9 AS 29.10.357 and 29.15.230 not to exceed the equivalent of
10 one per cent of the selling price. If an organized borough
11 fails to levy an additional sales tax or levies an addi-
12 tional amount less than the equivalent of one per cent of
13 the selling price, an incorporated city within the borough
14 may levy an additional sales tax not to exceed one per cent,
15 provided the combined additional sales tax of the city and
16 the borough does not exceed an amount equivalent to one per
17 cent of the selling price. This section does not apply to
18 fourth class cities which may levy and collect a sales tax
19 as provided by law.

20 Sec. 43.22.070. SINGLE COLLECTION. An organized
21 borough and an incorporated city may contract with each
22 other and with the state to provide for the collection of
23 any sales taxes levied within either the city or the borough.

24 Sec. 43.22.080. DISPOSITION OF PROCEEDS OF TAX. (a)
25 Money received from the collection of the statewide tax out-
26 side organized boroughs and outside incorporated cities in
27 the unorganized borough shall be deposited in the general
28 fund of the state.

29 (b) Money received from the collection of the

1 statewide tax within organized boroughs or within incorpor-
2 ated cities in the unorganized borough belong entirely to
3 the borough or city in which collected, except that if col-
4 lection of the statewide tax was by the department, the
5 actual cost of collection shall be deducted from the money
6 before it is refunded to the borough or city.

7 Sec. 43.22.090. SELLER'S MONTHLY REPORT. (a) Each
8 seller, on or before the 15th day of the month succeeding
9 the end of each monthly period, shall make out a return for
10 the preceeding monthly period upon forms to be provided by
11 the department, setting out the amount of all sales,
12 nontaxable sales, taxable sales, the amount of tax on the
13 taxable sales, and such other information as the department
14 may by regulation require, sign, and transmit the return to
15 the department.

16 (b) The department may for reasonable cause relieve a
17 class of taxpayers from the obligation of filing monthly re-
18 turns and may require the return to cover other reporting
19 periods, but in no event shall returns be filed for a period
20 greater than one year.

21 Sec. 43.22.100. VENDING MACHINE SALES. (a) The
22 department may waive collection of the statewide tax from the
23 customer and authorize a seller to pay the tax levied under
24 this chapter on sales made through vending machines and
25 similar devices or if sales are made under conditions of
26 business which render impracticable the collection of the
27 statewide tax as a separate item.

28 (b) The authority granted in (a) of this section may
29 be given only upon application to the department and if the

1 applicant furnishes a proper bond sufficient to secure the
2 payment of the tax.

3 Sec. 43.22.110. INSTALLMENT SALES AND LEASES. In the
4 case of installment sales and leases of personal property,
5 the tax shall be paid and collected on the amount of each
6 installment or payment at the time the installment or pay-
7 ment is due.

8 Sec. 43.22.120. ADMINISTRATION. AS 43.05.010 -
9 43.15.010 are applicable to the administration of the state-
10 wide tax.

11 Sec. 43.22.130. PENALTY. A person guilty of a mis-
12 demeanor under this chapter is punishable by a fine of not
13 more than \$1,000, or by imprisonment of not more than 10
14 years.

15 Sec. 43.22.140. DEFINITIONS. In this chapter, unless
16 the context requires otherwise,

17 (1) "selling price" means the consideration,
18 whether money, credits, rights, or other property, expressed
19 in the terms of money paid or delivered by a buyer to a
20 seller, all without any deduction on account of the cost of
21 tangible property sold, the cost of material used, labor
22 costs, interest, discount, delivery costs, taxes, or any
23 other expenses whatsoever paid or accrued and without any
24 deduction on account of losses, but does not include the
25 amount of cash discount actually taken by the buyer;

26 (2) "seller" means every person making sales at
27 retail or making retail sales to a buyer or consumer, whether
28 as agent, broker, or principal;

29 (3) "buyer" or "consumer" includes, but is not

1 limited to, every individual, corporation, group, or other
2 unit;

3 (4) "retail sale" includes, but is not limited
4 to, successive sales of the same property, furnishing of
5 utilities, rentals and leases, services, and every other
6 transaction conditional or not conditional, for considera-
7 tion;

8 (5) "organized borough" includes a home rule
9 first or second class borough;

10 (6) "incorporated city" means a home rule or
11 general law city of any class.

12 * Sec. 2. AS 29.10.357 is amended to read:

13 Sec. 29.10.357. SALES TAX. (a) The council may levy
14 and collect a consumer's sales tax not exceeding one [THREE]
15 per cent of the sales price on all retail sales, on all
16 rents, and on all services made within the municipality. The
17 sales tax may be levied and collected on any one or more of
18 these tax sources, at the option of the council, subject to
19 the restrictions of AS 43.22.060.

20 (b) Nothing in this section prohibits a political sub-
21 division that was collecting a sales tax on rents on April 7,
22 1959, from continuing to collect the tax, subject to the
23 restrictions of AS 43.22.060.

24 * Sec. 3. AS 29.15.230 is amended to read:

25 Sec. 29.15.230. AUTHORITY TO LEVY AND COLLECT CON-
26 SUMER'S SALES TAX. The board of trustees may levy and col-
27 lect a consumer's sales tax not exceeding one [TWO] per cent
28 of the sales price on all retail sales, rents and services
29 made within the city, subject to the restrictions of AS 43.-

1 22.060. However, before the sales tax may be levied, the
2 consent of the qualified voters of the city shall be ob-
3 tained through a referendum vote at a general or special
4 election. The ballot on the referendum shall clearly pre-
5 sent the proposition as to whether the sales tax shall be
6 authorized. The ballot shall also set forth whether the tax
7 is to be levied for general revenue for the municipality or
8 for a special purpose, and, if for a special purpose, that
9 purpose shall be specified on the ballot.

10 * Sec. 4. AS 07.15.010(7) is amended to read:

11 (7) to levy all taxes and special assessments,
12 enforce tax liens, and assess and collect penalties in the
13 manner provided for first class cities, in accordance with
14 AS 43.22.060. It may levy
15 (A) areawide taxes for areawide functions and
16 (B) taxes limited to the area outside cities
17 for functions limited to the area outside cities;

18 * Sec. 5. This Act takes effect July 1, 1966.
19
20
21
22
23
24
25
26
27
28
29