

Introduced: 2/9/67
Referred: Local Government,
State Affairs and Finance

1 IN THE HOUSE

BY TILLION

2 HOUSE BILL NO. 150

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTH LEGISLATURE - FIRST SESSION

5 A BILL

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

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

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

10 CHAPTER 22. STATE SALES TAX.

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

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

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

22 Sec. 43.22.030. PAYMENT AND COLLECTION OF TAX. (a) The state-
23 wide tax imposed by this chapter shall be paid by the buyer to the
24 seller, and each seller shall collect from the buyer the full amount
25 of the tax payable in respect to each taxable sale in accordance with
26 the schedule of collections adopted by the department.

27 (b) The statewide tax collected is held in trust by the seller
28 until paid to the department. A seller who fails or refuses to collect
29 the statewide tax, or having collected it, fails or refuses to pay it to

1 the department when due with the intent to violate this chapter is
2 guilty of a misdemeanor.

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

5 Sec. 43.22.040. ABSORPTION OF TAX. A seller who advertises,
6 holds out, or promises, directly or indirectly, that the statewide
7 tax or any part of it will be assumed or absorbed by the seller or
8 that it will not be added to the selling price of the property sold,
9 or if added, that it or any part of it will be refunded, is guilty of
10 a misdemeanor.

11 Sec. 43.22.050. COLLECTION OF TAX. (a) The department shall
12 adopt regulations prescribing methods and schedules for the collection
13 of the statewide tax. The methods and schedules shall be devised to
14 eliminate the collection of fractions of one cent and to provide that
15 the aggregate collections of the statewide tax by the seller, insofar
16 as practicable, equal the amount of tax imposed by this chapter. The
17 schedules may provide that no statewide tax need be collected from
18 the buyer on sales below a prescribed sum and may be amended from time
19 to time to accomplish the purposes of this chapter.

20 (b) An organized borough or an incorporated city in the unorgan-
21 ized borough may elect to assume the functions of administration and
22 collection of the statewide tax within the borough or city. Upon such
23 election the borough or city shall follow, to the extent applicable,
24 this chapter and the regulations of the department relating to the
25 administration and collection of the statewide tax.

26 Sec. 43.22.060. ADDITIONAL TAX. An organized borough or an
27 incorporated city in the unorganized borough may levy an additional
28 sales tax on the tax sources provided in AS 29.10.357 and 29.15.230
29 not to exceed the equivalent of one per cent of the selling price. If

1 an organized borough fails to levy an additional sales tax or levies an
2 additional amount less than the equivalent of one per cent of the
3 selling price, an incorporated city within the borough may levy an
4 additional sales tax not to exceed one per cent, provided the combined
5 additional sales tax of the city and the borough does not exceed an
6 amount equivalent to one per cent of the selling price. This section
7 does not apply to fourth class cities which may levy and collect a
8 sales tax as provided by law.

9 Sec. 43.22.070. SINGLE COLLECTION. An organized borough and an
10 incorporated city may contract with each other and with the state to
11 provide for the collection of any sales taxes levied within either the
12 city or the borough.

13 Sec. 43.22.080. DISPOSITION OF PROCEEDS OF TAX. (a) Money
14 received from the collection of the statewide tax outside organized
15 boroughs and outside incorporated cities in the unorganized borough
16 shall be deposited in the general fund of the state.

17 (b) Money received from the collection of the statewide tax
18 within organized boroughs or within incorporated cities in the unorgan-
19 ized borough belong entirely to the borough or city in which collected,
20 except that if collection of the statewide tax was by the department,
21 the actual cost of collection shall be deducted from the money before
22 it is refunded to the borough or city.

23 Sec. 43.22.090. SELLER'S MONTHLY REPORT. (a) Each seller, on or
24 before the 15th day of the month succeeding the end of each monthly
25 period, shall make out a return for the preceding monthly period upon
26 forms to be provided by the department, setting out the amount of all
27 sales, nontaxable sales, taxable sales, the amount of tax on the
28 taxable sales, and other information which the department may by
29 regulation require, sign, and transmit the return to the department.

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1 (b) The department may for reasonable cause relieve a class of
2 taxpayers from the obligation of filing monthly returns and may require
3 the return to cover other reporting periods, but in no event shall
4 returns be filed for a period greater than one year.

5 Sec. 43.22.100. VENDING MACHINE SALES. (a) The department may
6 waive collection of the statewide tax from the customer and authorize
7 a seller to pay the tax levied under this chapter on sales made
8 through vending machines and similar devices or if sales are made under
9 conditions of business which render impracticable the collection of
10 the statewide tax as a separate item.

11 (b) The authority granted in (a) of this section may be given
12 only upon application to the department and if the applicant furnishes
13 a proper bond sufficient to secure the payment of the tax.

14 Sec. 43.22.110. INSTALLMENT SALES AND LEASES. In the case of
15 installment sales and leases of personal property, the tax shall be
16 paid and collected on the amount of each installment or payment at
17 the time the installment or payment is due.

18 Sec. 43.22.120. ADMINISTRATION. AS 43.05.010 - 43.15.010 are
19 applicable to the administration of the statewide tax.

20 Sec. 43.22.130. PENALTY. A person guilty of a misdemeanor under
21 this chapter is punishable by a fine of not more than \$1,000, or by
22 imprisonment of not more than 10 years.

23 Sec. 43.22.140. DEFINITIONS. In this chapter, unless the context
24 requires otherwise,

25 (1) "selling price" means the consideration, whether money,
26 credits, rights, or other property, expressed in the terms of money
27 paid or delivered by a buyer to a seller, all without any deduction on
28 account of the cost of tangible property sold, the cost of material
29 used, labor costs, interest, discount, delivery costs, taxes, or any

1 other expenses whatsoever paid or accrued and without any deduction on
2 account of losses, but does not include the amount of cash discount
3 actually taken by the buyer;

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

7 (3) "buyer" or "consumer" includes, but is not limited to,
8 every individual, corporation, group, or other unit;

9 (4) "retail sale" includes, but is not limited to, successive
10 sales of the same property, furnishing of utilities, rentals and leases,
11 services, and every other transaction conditional or not conditional,
12 for consideration;

13 (5) "organized borough" includes a home rule first or
14 second class borough;

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

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

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

24 (b) Nothing in this section prohibits a political subdivision
25 that was collecting a sales tax on rents on April 7, 1959, from
26 continuing to collect the tax, subject to the restrictions of AS 43.22.
27 060.

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

29 Sec. 29.15.230. AUTHORITY TO LEVY AND COLLECT CONSUMER'S SALES

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TAX. The board of trustees may levy and collect a consumer's sales tax not exceeding one [TWO] per cent of the sales price on all retail sales, rents and services made within the city, subject to the restrictions of AS 43.22.060. However, before the sales tax may be levied, the consent of the qualified voters of the city shall be obtained through a referendum vote at a general or special election. The ballot on the referendum shall clearly present the proposition as to whether the sales tax shall be authorized. The ballot shall also set forth whether the tax is to be levied for general revenue for the municipality or for a special purpose, and, if for a special purpose, that purpose shall be specified on the ballot.

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

(7) to levy all taxes and special assessments, enforce tax liens, and assess and collect penalties in the manner provided for first class cities, in accordance with AS 43.22.060. It may levy

(A) areawide taxes for areawide functions and

(B) taxes limited to the area outside cities for

functions limited to the area outside cities;

* Sec. 5. This Act takes effect July 1, 1967.