

Original sponsor: Finance Committee

Offered: 3/1/68  
Referred: Finance

1 IN THE SENATE

BY THE JUDICIARY COMMITTEE

2 CS FOR SENATE BILL NO. 304

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the tax on watercraft fuel; and  
7 providing for an effective date."

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

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

10 (a) There is levied a tax of five cents a gallon on all motor  
11 fuel sold and delivered, or otherwise transferred, within the state;  
12 except that (1) the tax on aviation gasoline is three cents a gallon,  
13 (2) the tax on motor fuel used for heating and cooking purposes and  
14 used in engines for the propulsion of boats and watercraft [WATERCRAFTS]  
15 of all descriptions is two cents a gallon, and (3) the tax on all avia-  
16 tion fuel other than gasoline is one and one-half cents a gallon.

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

18 (b) There is levied a tax of five cents a gallon on all motor  
19 fuel consumed by a user, except that (1) the tax on aviation gasoline  
20 consumed is three cents a gallon, (2) the tax on motor fuel used for  
21 heating and cooking purposes and used in engines for the propulsion of  
22 boats and watercraft of all descriptions is two cents a gallon, and (3)  
23 the tax on all aviation fuel other than gasoline is one and one-half  
24 cents a gallon.

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

26 (2) the motor fuel is not aviation fuel or motor fuel used  
27 for heating and cooking purposes or used in an engine to propel a boat  
28 or watercraft; and

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

1 (2) "motor fuel" means fuel used in an engine for the pro-  
2 pulsion of a motor vehicle, aircraft, boat or watercraft, or used for  
3 heating and cooking purposes on a boat or watercraft, or in a station-  
4 ary engine, machine or mechanical contrivance which is propelled by  
5 an internal combustion motor, [;] except on consignments of motor fuel  
6 oil to foreign countries and except fuel used in stationary power plants  
7 operating as public utility plants and generating electrical energy for  
8 sale to the general public or by nonprofit power associations or cor-  
9 porations for generating electric energy for resale or by charitable  
10 institutions; [.]

11 \* Sec. 5. AS 43.40.110(b) is amended to read:

12 (b) The tax levied by this section does not apply to fuel used  
13 (1) to operate aircraft, (2) to operate boats and watercraft, whether  
14 for heating and cooking purposes or in an engine to propel a boat or  
15 watercraft, or (3) in a foreign country on which duty is paid when the  
16 fuel is sold and delivered in the state for nonhighway use in a foreign  
17 country.

18 \* Sec. 6. AS 43.40.120 is amended to read:

19 Sec. 43.40.120. ADDITIONAL TAX LEVY ON MOTOR FUEL FOR [USED TO  
20 PROPEL] WATERCRAFT. (a) There is a tax of one cent a gallon on all  
21 motor fuel sold and delivered, or transferred, within the state which  
22 is used for heating and cooking purposes and used in engines to propel  
23 boats and watercraft.

24 (b) The tax levied by this section is in addition to the tax  
25 levied by sec. 10(a) [20] of this chapter.

26 (c) The tax levied by this section shall be administered and  
27 collected in the same manner as the tax levied in sec. 10(a) [20]  
28 of this chapter. The receipts from the tax shall be paid into the  
29 watercraft fuel tax account in the general fund of the state.

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\* Sec. 7. AS 43.40 is amended by adding a new section to read:

Sec. 43.40.130. PARTIAL EXEMPTION FOR WATERCRAFT MOTOR FUEL.

Fifteen per cent of the tax for which a person is liable for boat and watercraft motor fuel taxes under secs. 10(a) and (b) and 120(a) of this chapter shall be deducted from the tax due whether the motor fuel is used for heating and cooking purposes or is used in engines for the propulsion of boats and watercraft.

\* Sec. 8. This Act takes effect July 1, 1968.